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Housing Element 2002

Prepared by

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INTRODUCTION

The Housing Element of the General Plan is a comprehensive statement by the City of Saratoga of its current and future housing needs and proposed actions to facilitate the provision of housing to meet those needs at all income levels. The policies contained in this Element are an expression of the statewide housing goal of "attaining decent housing and a suitable living environment for every California family," as well as a reflection of the unique concerns of the community. The purpose of the Housing Element is to establish specific goals, policies and objectives relative to the provision of housing, and to adopt an action plan toward this end. In addition, the Element identifies and analyzes housing needs, and resources and constraints to meeting these needs.

The Saratoga Housing Element is based on five strategic goals: 1) accommodating the City's fair share of the region's housing needs, 2) promoting the construction of housing affordable to low- and moderate-income households, 3) assisting low-income property owners in improving substandard dwelling units, 4) preserving the current stock of affordable housing in the City, and 5) assuring non-discrimination in housing.

In accordance with State law, the Housing Element is to be consistent and compatible with other General Plan Elements. Additionally, Housing Elements are to provide clear policy and direction for making decisions pertaining to zoning, subdivision approval, housing allocations, and capital improvements. State law (Government Code Sections 65580 through 65589) mandates the contents of the housing element. By law, the Housing Element must contain:

- An assessment of housing needs and an inventory of resources and constraints relevant to meeting those needs;
- A statement of the community's goals, quantified objectives, and policies relevant to the maintenance, improvement and development of housing; and
- A program that sets forth a five-year schedule of actions that the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the Housing Element.

The housing program must also identify adequate residential sites available for a variety of housing types for all income levels; assist in developing adequate housing to meet the needs of low- and moderate-income households; address governmental constraints to housing maintenance, improvement, and development; conserve and improve the condition of the existing affordable housing stock; and promote housing opportunities for all persons.

EVALUATION OF PRIOR HOUSING ELEMENT

The City's previous Housing Element contained two quantified objectives and five programs. The first quantified objective was to approve 150 dwelling units over five years (through 1989), or 30 dwelling units per year, of which 50 would be low- to moderate-income units produced through second unit and other policies. The second quantified objective was to rehabilitate 60 dwelling units over five years, or 12 dwelling units per year, and preserve 263 existing rental dwelling units through the City's condominium conversion ordinance.

The five programs adopted by the City to achieve these objectives were:

1. Designation of sufficient sites to accommodate the City's regional share under the Association of Bay Area Governments Regional Housing Needs Determination.
2. Encourage rental property owners in Saratoga to participate in the Section 8 program by not interfering with free market rental practices.
3. Mitigate government constraints by monitoring building code requirements and allowing focused EIRs and Mitigated Negative Declarations to reduce environmental assessment costs.
4. Continue the Saratoga Housing Assistance Rehabilitation Program (SHARP).
5. Encouraging fair housing practices by cooperating with nonprofit organizations and citizen organizations that promote fair housing, encouraging citizen participation by all segments of the community in discussions of housing issues, and, if necessary and appropriate, use HCDA funds to preserve existing assisted rental housing developments.

Because Saratoga is not a general services City, does not have a redevelopment agency, and has limited general funding to maintain staff, the City has never been able to actively pursue programs that require significant staffing or local resources. Record keeping has also been a chronic problem due to staffing levels and turnover during the past decade. The following summarizes what is known about City achievements with respect to the quantified objectives and five programs.

Accommodation of Regional Share

Although the City has provide sufficient land to accommodate its regional housing allocation since the 1980s, only 15 multifamily housing units have been constructed in Saratoga since 1989. The City has not maintained records to determine the number of these dwelling units that were affordable to low- or moderate-income households.

Affordable Housing

However, the Odd Fellows organization has opened two facilities to address senior needs: the Odd Fellow's Health Center with a capacity of 68 skilled nursing beds and Odd Fellows Home (Saratoga Retirement Community), with 93 assisted living units. In addition, The Fellowship Plaza (also an Odd Fellow's property) remains under contract with HUD and offers Section 8 low-income senior housing. This facility had 150, mostly one-bedroom apartment.

Maintaining Rental Housing Stock

Through the City's condominium conversion restrictions, the City has managed to maintain, and slightly expand, its rental housing stock, since the 1980s, when the prior Housing Element was prepared.

Mitigating Governmental Constraints

Because of the low level of development in the City and the small size of most development projects, most developments have been approved through Mitigated Negative Declarations. The City has also worked closely with the Odd Fellows, the primary non-profit provider of senior and affordable housing in the City, to ensure that building and zoning requirements due not create unreasonable barriers to meeting senior and affordable housing needs in the City. As described in the Housing Element, the City is working with Odd Fellows to substantially increase the number of affordable dwelling units and senior housing and care facilities available in Saratoga.

Housing Rehabilitation

Saratoga has used part of its annual CDBG allocation from Santa Clara County to assist in housing rehabilitation, primarily for low-income senior homeowners. The City has not maintained records, however, on the number of dwelling units assisted and the income levels of the homeowners assisted. The number of dwelling units is likely to be low due to the small number of dwelling units in need of rehabilitation in the City.

Fair Housing

Saratoga maintains information on equal housing opportunities and refers individuals with discrimination complaints to the Mid-Peninsula Citizens for Fair or the County of Santa Clara Office of Consumer Affairs. In past years, the City has provided CDBG funding in support of fair housing activities. Given limited funding and staffing at the City, however, Saratoga's role in sponsoring fair housing events and handling discrimination complaints will be very limited.

GOALS, POLICIES, AND OBJECTIVES

For all of the programs listed below, the City will undertake an ongoing marketing effort that consists of: 1) articles published quarterly in the Saratogan describing the City's various programs, 2) posting of the same articles continuously on the City's web site, 3) and quarterly press releases to KSAR for posting on their Public Bulletin Board.

GOAL 1: TO ACCOMMODATE THE CITY'S FAIR SHARE OF THE BAY AREA REGIONAL HOUSING NEED FOR ALL INCOME GROUPS

Objective: *To designate sufficient vacant land and/or sites with re-use potential to accommodate the City's allocation under the Regional Housing Needs Determination (RHND) adopted by the Association of Bay Area Governments. The RHND allocation for Saratoga between January 1, 1999 and June 30, 2006 is as follows:*

Income Level	Dwelling Units	% of Total	Units Provided Since January 1999*	Units Approved or Under Construction**	Remaining Allocation
Very Low Income	75	14%	0	49	26
Low Income	36	7%	0	0	36
Moderate Income	108	20%	0	108	0
Above Moderate Income	320	59%	161	146	13
Total	539	100%	172	303	64

Source: ABAG 1999-2006 Regional Housing Needs Determination.

*As of May 2001.

**Since May 2001. Distribution of units approved or under construction since May 2001 is based proposed sales prices and rental costs of units approved or under construction in Phases I and II of Saratoga Retirement Center. 49 of 110 units in Phase I have been reserved for households earning less than \$15,000 annually (see Appendix A).

Note: Dwelling units provided or under construction meet the U.S. Census and California Department of Finance definitions of housing unit, which require: 1) occupancy as separate living quarters in which the occupants live separately from any other individuals, and 2) direct access from outside the building or through a common hall.

Program 1.1: Zoning Code Changes for Second Units

The City can accommodate the total number of dwelling units allocated by ABAG under the RHND through a combination of strategies, including encouraging the construction of additional second dwelling units on single-family lots. To meet the needs of very low-, low-, and moderate-income households, the City will amend its second unit standards to include the following changes:

- eliminating age-related occupancy restrictions,
- eliminating the 1.6-acre minimum site area requirement for detached second units,

- eliminating the annual limit of 20 permits on the approval of second units, and
- allowing uncovered parking if necessary to achieve affordability to very low- or low-income occupants.

Require property owners receiving permits for new second units to record an affordability covenant for at least 30 years restricting occupancy of their second units to very low- or low-income households at affordable rent level. The City will promote its second unit standards by posting information on the City's web site, preparing an information brochure to be distributed to public places in the City, and providing annual information to single-family property owners on the benefits of, and permit requirements for, second units.

The City will monitor the production of second units through an annual report to the City Council on the number of new second units constructed each year and their affordability by income level. If the number and affordability of second units falls short of the assumptions contained in "Discussion of New Construction Objectives" (five units per year), the City will adopt additional revisions to the Zoning Ordinance and additional incentives to increase the likelihood that the new construction objectives contained in the Housing Element can be achieved.

Timeframe: Adopt Zoning Code amendments by July 1, 2002.
Report annually to the City Council, 2002 – 2006.
Adopt revisions to zoning requirements or incentives, if needed, by December 2003 to achieve new construction objectives.

Responsible Agency: Community Development Department, Planning Division (draft Zoning Code amendments); Planning Commission (review and recommend amendments to City Council); City Council (adopt Zoning Code amendments).

Funding: General Fund.

Program 1.2: Amend Zoning Code to Implement a Mixed-Use Overlay Zone

The City will adopt a Zoning Code amendment to implement a residential mixed-use overlay zone that will be applied to all commercial zones within the City of Saratoga, including sites with the greatest immediate potential for residential-mixed use shown in Figure 1 and listed in Appendix B. The new mixed-use overlay zone will contain appropriate development standards, including residential density and parking standards, suitable for the development of low- and moderate-income housing. Projects that include residential-commercial mixed-uses will be subjected to the City's density bonus-affordability requirement (see program 2.1). The City will apply the following standards for implementation of a mixed-use overlay zone:

Maximum net base density of at least 20 dwelling units per acre, excluding density bonuses for very low-income, low-income, or senior housing (calculated as the equivalent net density for that portion of the site developed for residential use.).

Dwelling units shall be located in mixed-use structures above first-floor or to the rear of non-residential uses. The City will permit residential-only structures of two stories to the rear of commercial uses fronting on a street. This provision will ensure that the 26-foot height limit does not impose an impediment to achieving a maximum net residential density on mixed-use site of 25 units per acre with a density bonus for affordable or senior housing.

The residential portion of a mixed-use building shall not exceed 50% of the total floor area, with an increase of 10% of floor area permitted for projects providing below-market-rate housing. Site coverage may also increase by 10 % for project containing below market-rate housing. The allowance for additional coverage should provide ample opportunities for the construction of residential units in mixed-use projects, even with the 50 percent limitation on the proportion of total floor area that may be residential. Depending on the number of mixed use projects that contain below market-rate housing units, between 60 percent and 70 percent of the 33 acres of commercial sites identified in Figure 1 and Appendix B may be covered by structures, which can be two stories. Up to half of the total floor area for structures may be residential, as noted in #2 above. Allowing for 25 to 30 percent of the permitted residential floor area as accessory structures to dwelling units, the City estimates that between 600,000 and 750,000 square feet of residential floor area could be constructed on the parcels identified in Figure 1 and listed in Appendix B.

Parking standards for both commercial and residential portions of the project shall be the same as otherwise required by the Zoning Ordinance, except that the Planning Commission will allow shared parking for mixed-use projects, except in areas where parking is already impacted, such in the Village.

Each dwelling unit shall have private, usable outdoor space, which may provided through decks, balconies, patios, or private yards.

- The maximum building height shall be 26 feet.
- Design requirements for the residential portion of a project shall conform to the City's Residential Design Handbook.
- Mixed-use projects shall contain sound walls and landscape screening to protect abutting single-family residences.
- Housing units in a mixed-use project shall be rental, with dwelling units ranging from 850 square feet for a one-bedroom unit to 1,250 square feet for a two-bedroom unit.
- Small mixed-use projects may pay a park in-lieu fee rather than providing land for park construction.
- Larger mixed-use projects shall contain common open space.
- To provide incentives for the construction of affordable housing in mixed-use projects, the City will offer one or more regulatory and/or financial incentives as listed in Program 2.1

The City will promote the mixed-use overlay zone by preparing an information package to be distributed to each commercial property owner in Saratoga, local real estate firms, and developers who are active in the area. The information package sent to real estate firms and developers will include a list of sites the City has determined have the greatest immediate potential for mixed-use residential development (as listed in Appendix B). The City will post information about mixed-used development opportunities on its web site. The City will annually update and redistribute its information package on mixed-use development opportunities and update web site information as the status of mixed-use sites changes.

The City will monitor the production of housing produced through the mixed-use overlay through an annual report to the City Council on the units constructed each year and their affordability by income level. If the number and affordability of second units falls short of the assumptions contained in "Discussion of New Construction Objectives" (approximately 8 units per year), the

City will adopt additional revisions to the Zoning Ordinance and additional incentives to increase the likelihood that the new construction objectives contained in the Housing Element can be achieved.

Timeframe: Adopt Zoning Code amendment by July 1, 2002.
Prepare information package and distribute by December 2002. Update and distribute annually thereafter.
Report annually to the City Council, 2002 – 2006.
Adopt revisions to zoning requirements or incentives, if needed, by December 2003 to achieve new construction objectives.

Responsible Agency: Community Development Department, Planning Division (conduct site analysis and draft Zoning Code amendments); Planning Commission (review and recommend amendments to City Council); City Council (accept recommendations and adopt Zoning Code amendments).

Funding: General Fund.

GOAL 2: ENCOURAGE THE CONSTRUCTION OF HOUSING AFFORDABLE TO LOWER- AND MODERATE-INCOME HOUSEHOLDS AND INCREASE AFFORDABLE HOUSING OPTIONS

Objective: To increase the supply of affordable housing and housing options in Saratoga to house additional households and families earning less than 80% of the Santa Clara County median income.

Program 2.1: Density Bonuses and Affordable Requirement for Very Low- and Low-Income Housing

The City will amend the Zoning Code to implement state law (Section 65915 of the California Government Code) requiring at least a 25 percent density bonus for any residential project in which at least 10 percent of the units are affordable to very low-income households or 20 percent of the units are affordable to low-income households or 50 percent of the units are designed for seniors. In addition to the density bonus, the City will offer one or more of the following incentives to increase the financial feasibility of constructing the affordable housing:

- Fee waivers, reductions, and/or deferrals.
- Modified standards for mixed-use projects (such as a higher floor area ratio) that decrease development costs.
- Modified design review process to avoid unnecessary or excessive costs or delays for achieving City development standards.
- Other incentives identified by the project sponsor or the City that will reduce development costs while achieving the overall intent of the City's zoning standards.

The City will require that properties rezoned for the mixed-use overlay zone will include the minimum percentages of affordable or senior housing listed above as a condition of permit approval and the granting of density bonuses and/or other incentives.

Timeframe: Adopt Zoning Code amendment by July 1, 2002. Recommend site(s) to City Council and re-zone property (ies) by December 31, 2002.

Responsible Agency: Community Development Department, Planning Division (draft Zoning Code amendments); Planning Commission (review and recommend amendments to City Council); City Council (adopt Zoning Code amendments).

Funding: General Fund, permit fees.

Program 2.2: Saratoga Retirement Community

The City will work with the Saratoga Retirement Community to set aside as many dwellings of the Phase I expansion (110-units) as possible. The first phase of this project developed by SRC for low-income households (currently under construction) has reserved 49-units for individuals whose annual income is less than \$15,000 under a long-term covenant that permanently reserves these units for very low-income households. Phase II units approved or under construction since May 2001 (144 units) do not contain very low- or low-income restricted units with long-term affordability covenants. Phase II also includes that conversion of an existing building to rental apartments. The conversion does not include 150 Section 8 units affordable to very low-income households that will continue be restricted and affordable to this income level.

The City will negotiate very low- and low-income affordable housing requirements in future residential phases.

Timeframe: The project is under construction

Responsible Agency: Community Development Department, Planning Division (review development plans and recommend permit conditions to Planning Commission); Planning Commission (review staff report and recommendations and recommend action to the City Council); City Council (approve permit conditions).

Funding: General Fund, permit fees.

Program 2.3: Assist in Obtaining Subsidies for Affordable Housing Development

The City of Saratoga will assist housing providers in accessing state and federal funding sources, as appropriate, to subsidize the construction of housing affordable to lower- and moderate-income households. Assistance may take one of several forms:

- Applying for state or federal funding on behalf of a project sponsor.
- Assisting a project sponsor in assembling documentation and endorsements to support an application for state or federal funds.
- Providing a local cash match, to be determined on a request basis (if City funds are available).
- Designating a portion of the City's annual Community Development Block Grant (CDBG) allocation when necessary to provide gap financing.

Timeframe: Dependent on submittal of project proposals and application/funding timeframes.

Responsible Agency: Community Development Department, Planning Division to provide staff assistance, City Council to authorize allocation of funds or submittal of a City application.

Funding: Potential funding sources include: CDBG, California HOME Program, California Multifamily Housing Program, California Downtown Rebound Program, California Urban Pre-Development Loan Program, Federal Home Loan Bank Board Affordable Housing Program, federal Section 8 and 202 Programs, Santa Clara County Housing Trust, General Fund.

Program 2.4: First-Time Homebuyer Assistance

The City will make an annual contribution to a regional housing fund dedicated to providing first-time homebuyer assistance and that serves residents of Saratoga. The amount of the contribution will be determined each year based on the availability of funding. The public and/or non-profit organizations that will receive the funds each year will be based on funding requests from those organizations, the nature of purpose of their programs, and how well their programs address the housing needs of Saratoga.

Timeframe: Annual contribution.

Responsible Agency: Community Development Department, Planning Division to recommend annual contribution amount, City Council to approve annual contribution.

Funding: CDBG, General Fund.

GOAL 3: ASSIST LOWER-INCOME HOMEOWNERS IN MAINTAINING THEIR HOMES

Objective: *To eliminate substandard housing conditions in Saratoga through financial assistance to low-income homeowners who are unable to properly maintain or repair their homes.*

Program 3.1: Saratoga Housing Rehabilitation and Assistance Program

The City will continue to provide housing rehabilitation assistance to homeowners earning 80 percent or less of the Santa Clara County median income through the Saratoga Housing Assistance and Rehabilitation Program (SHARP). The Program provides grants of up to \$10,000 per applicant. Although this program is available to income-eligible households of all ages, primarily seniors have historically, used the program in Saratoga. Most income-eligible homeowners in Saratoga are older adults who moved to Saratoga decades ago.

Timeframe: Ongoing program.

Responsible Agency: Community Development Department, Planning Division

Funding: CDBG.

GOAL 4: PRESERVE EXISTING AFFORDABLE HOUSING IN SARATOGA

Program 4.1: Preserve Existing Affordable Rental Housing

The City will seek to preserve existing affordable rental housing (177 units in three developments) through the following actions:

Monitor compliance with state and federal tenant and public notice requirements prior to any change in funding or ownership status.

Provide financial assistance for property maintenance and improvements, or provide assistance in obtaining state and/or federal funding for property maintenance and improvements.

Identify one or more non-profit entities interested in the right of first refusal should one or more of the properties become available for sale. Provide financial assistance, or assist the non-profit in obtaining state or federal funds for acquisition and preservation as affordable rental housing.

Require that any financial assistance be tied to a minimum 30-year affordability covenant binding on all current and future property owners during the effective time period.

Timeframe: Monitor annually. Further action will depend on the intention of property owners.

Responsible Agency: Community Development Department, Planning Division.

Funding: CDBG, California HOME Program, federal Section 8 Program, other state/federal sources for acquisition and preservation

Program 4.2: Amnesty Program for Existing Second Units

The City will adopt a program that allows owners of properties with second units that have not received building permits meeting all of the requirements of the California Building Standards (Title 24) for the second units to bring the noncompliant units into compliance with current building code standards and receive a building permit. The City will require property owners receiving permits for existing second units to record an affordability covenant for at least 30 years restricting occupancy of their second units to very low- or low-income households at affordable rent levels.

The City will promote its second unit standards by posting information on the City's web site, preparing an information brochure to be distributed to public places in the City, and providing annual information to single-family property owners on the benefits of, and permit requirements for, second units.

The City will monitor the production of existing second units brought into zoning code conformity through an annual report to the City Council. The annual report will indicate the number of existing second units brought into conformance each year and their affordability by

income level. If the number and affordability of second units falls short of the assumptions contained in "Discussion of New Construction Objectives" (four units per year), the City will adopt additional revisions to the Zoning Ordinance and additional incentives to increase the likelihood that the new construction objectives contained in the Housing Element can be achieved.

Timeframe: Adopt amnesty program by July 2002.
Prepare information package and distribute by December 2002. Update and distribute annually thereafter.
Report annually to the City Council, 2002 – 2006.
Adopt revisions to zoning requirements or incentives, if needed, by December 2003 to achieve new construction objectives.

Responsible Agency: Community Development Department, Planning Division.

Funding: Permit fees.

GOAL 5: PROMOTE EQUAL HOUSING OPPORTUNITY FOR ALL SARATOGA RESIDENTS

Program 5.1: Fair Housing Program

The City will encourage fair housing practices by continuing to cooperate with non-profit housing and citizen organizations. The City will also encourage citizen participation from all segments of the community in identifying and discussing housing issues. The City has designated a Fair Housing Coordinator to monitor and coordinate fair housing activities in the City, including an annual fair housing event to be conducted with representatives of non-profit, real estate, and lending institutions. The Fair Housing Coordinator will also refer discrimination complaints to the Mid-Peninsula Citizens for Fair or the County of Santa Clara Office of Consumer Affairs.

The City will implement this program by:

Disseminating fair housing information at public gathering places (such as City Hall, the Senior Center, Library, and Community Center).

Posting fair housing information on the City's web site and including information in the City's monthly newsletter.

Annually reminding Saratoga residents and property owners of fair housing requirements and services through public utility billings (provided the utility service providers are willing to include inserts in their mailings).

Conducting an annual workshop on fair housing and related concerns to identify those concerns and appropriate responses to fair housing issues.

Timeframe: Designate Fair Housing Coordinator by April 2002.

Responsible Agency: City Council to designate responsible agency/position.

Funding: CDBG, General Fund.

Program 5.2: Sites for Emergency and Transitional Housing Facilities and Services

The City will amend the Zoning Code to designate appropriate zones for the location of emergency and transitional housing facilities and supportive services should the need for such services arise in Saratoga. The proposed mixed-use overlay zone (see Program 1.2) will be the designated zone for such land uses. This rezone will supplement existing zoning code provisions that allow establishment of temporary emergency shelters on a rotating basis among area religious establishments.

The City will use a conditional process for approving emergency shelters and transitional housing. A conditional use permit will include the following criteria for approval:

1. That the proposed location of the conditional use is in accord with the objectives of the Zoning Ordinance and the purposes of the district in which the site is located.
2. That the proposed location of the conditional use and the conditions under which it would be operated or maintained will not be detrimental to the public health, safety or welfare, or materially injurious to properties or improvements in the vicinity.
3. That the proposed conditional use will comply with each of the applicable provisions of this Zoning Code.

The process for approving a conditional use permit requires an application to the City. The Community Development Director reviews the application, investigates property conditions, and prepares a report and recommendation to the Planning Commission. The Planning Commission may either grant or deny the application. The conditional use permit may be revocable or granted for a specified period of time, subject to renewal. The Planning Commission's decision may be appealed to the City Council.

The City will promote and facilitate the new zoning provisions for emergency shelters and transitional housing in the following manner:

1. The City will contact religious institutions in Saratoga to inform them of provisions of City's zoning code for emergency shelters and transitional housing.
2. The City will contact public agencies and nonprofit organizations that serve homeless and near-homeless clients in the region to inform them of the City's provisions.
3. The City will allow transitional housing to qualify for residential bonuses and incentives proposed for the mixed-use overlay zone (See Program 1.2)
4. The City will meet annually with homeless service providers to evaluate current and future needs for a homeless or transitional housing facility in Saratoga. Should the need for such facilities arise, the City will provide assistance in accessing state or federal funding for such facilities through its zoning provisions and conditional use permit process. The City will also provide information within the City's possession that may assist in preparing a competitive funding request.

Timeframe: Adopt Zoning Code amendment by July 1, 2002.

Contact religious institutions, nonprofit organizations, and public agencies by December 2002. Meet annually thereafter to evaluate homeless needs and determine if homeless or transitional housing facilities are needed in Saratoga. Provide application assistance as necessary to support funding requests for emergency shelter or transitional housing facilities.

Responsible Agency: Community Development Department, Planning Division (draft Zoning Code amendments); Planning Commission (review and recommend amendments to City Council); City Council (adopt Zoning Code amendments).

Funding: General Fund.

Program 5.3: Evaluation of Accommodation of Persons with Disabilities

The City will evaluate its planning policies, zoning and other development regulations, permit procedures, and building code enforcement to ensure that the applications of these policies, processes, and regulations do not create unreasonable impediments to the availability and affordability of housing and supportive services for persons with disabilities. Specifically, the City will:

1. Review the impact of its planning policies and zoning on the types of housing and supportive services that are permitted in Saratoga.
2. Evaluate permit procedures and discretionary permit processes to ensure these do not create discriminatory standards for persons with disabilities.
3. Review the City's code enforcement practices for compliance with state and federal laws related to persons with disabilities and to ensure that alternative techniques are permitted to meet the needs of such persons.
4. Evaluate the feasibility, practicality, and effectiveness of a universal design ordinance based on a model ordinance that may be adopted by the State of California or other agencies and examples of local ordinances adopted by other cities or counties.

Timeframe: Conduct evaluation of planning, zoning, building code, and permit practices by December 31, 2002. Adopt revisions to policies, regulations, code enforcement, or permit practices by June 30, 2003 if significant impediments or discriminatory practices are identified. Evaluate the feasibility of adopting a universal design ordinance by June 30, 2003. If determined to be feasible and practical for Saratoga, adopt an ordinance by December 31, 2003.

Responsible Agency: Community Development Department, Planning Division (conduct analysis, draft proposed amendments, draft proposed universal design ordinance); Planning Commission (review and recommend amendments)

QUANTIFIED OBJECTIVES (January 1, 1999 – June 30 2006)

	Very Low	Low	Moderate	Above Moderate	Total
Accommodate RHND Allocation	75	36	108	320	539
New Construction*	75	36	108	320	539
Housing Rehabilitation	10	20	N/A	N/A	30
Preservation of At-Risk Rental Housing	177	N/A	N/A	N/A	177

*Estimated number of dwelling units anticipated to be constructed in consideration of market trends and available resource for funding and subsidy of affordable housing—includes 177 above moderate-income dwelling units constructed, under construction, or approved by permit between January 1, 1999 and August 1, 2001.

DISCUSSION OF NEW CONSTRUCTION OBJECTIVES

The following table and notes provide more detail on specific development projects and sites that comprise the City's new construction objective and that show how the City will accommodate its regional allocation. Program numbers are references to the programs contained in the Housing Element that will achieve the objectives stated below. *Dwelling units provided or under construction meet the U.S. Census and California Department of Finance definitions of housing unit, which require: 1) occupancy as separate living quarters in which the occupants live separately from any other individuals, and 2) direct access from outside the building or through a common hall.*

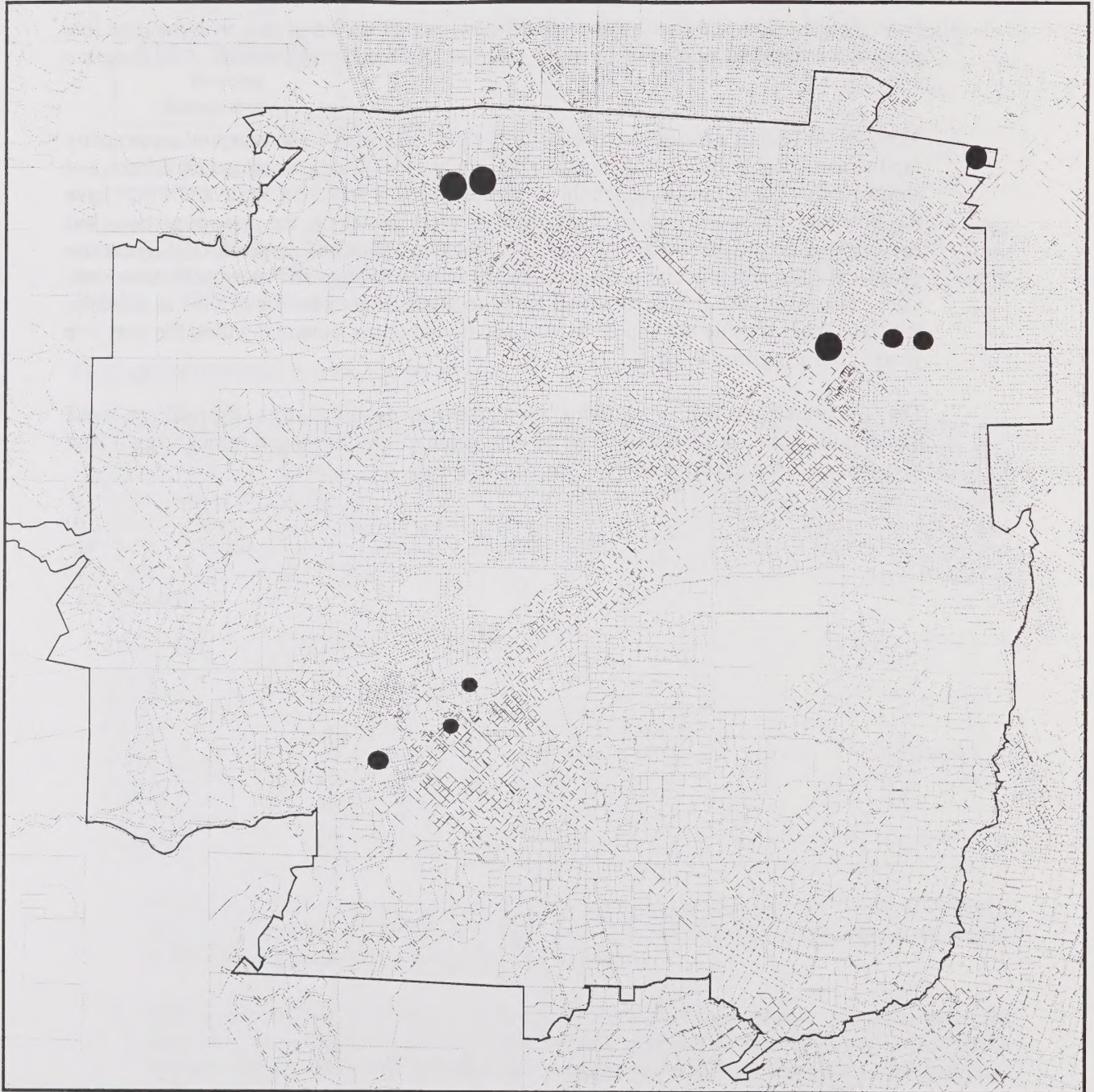
INCOME GROUPS	RHND	1	2	3	4	5	6	7	TOTAL
VERY LOW	75		49			15	11		75
LOW	36				1	30	5		36
MODERATE	108		61	47					108
ABOVE MODERATE	320	161		97	10		26	26	320
TOTAL	539	161	110	144	11	45	42	26	539

1. Dwellings that have been completed, are under construction, or have received building permits between 01/01/99 and 05/01/01. All of these units have been market rate units affordable to above moderate-income households.
2. Odd Fellows Phase I contains 110 senior units under construction. Of these units, 49 have been set-aside for households with annual incomes of \$15,000 or less. Phase I also includes 69 units that will be affordable to moderate-income households. (See Program 2.2)
3. Odd Fellows Phase II contains 144 dwelling units and has been approved by the Planning Commission. This phase will contain market rate units affordable to moderate- and above moderate-income senior households. (See Program 2.2)

4. The City has approved 10 artist studios plus one caretaker residence at Montalvo, a nonprofit arts center located in the Saratoga hills on 175 acres donated to the public by Senator James Duval Phelan. The units are currently under construction. The City assumes that a low-income individual will occupy the caretaker unit.
5. New second units: the City believes that 9 new second units per year over the next five years is a reasonable objective given the past rate of second unit creation. (*See Program 1.1*)
6. The City will adopt a mixed-use overlay zones that will apply to commercial, community facility and quasi-public facility areas. The City has identified approximately 33 acres of commercially zoned land to which the mixed-use overlay zone will apply and which have the potential for re-use within the next five years based on the age, condition, and existing uses of the properties (see Figure 1, following page and Appendix B). These are generally older, commercial areas with deteriorated buildings and marginally economic uses. The mixed-use designation will apply to much larger number of sites in the City, but these other sites do not appear to have significant re-use potential within the next five years. (*See Programs 1.2 and 2.1*)
7. The City anticipates that an additional 26 market-rate dwelling units affordable to above moderate-income households will be developed on infill parcels and through small land divisions over the next five years. (*See Program 1.1*)

Figure 1

Sites with Redevelopment Potential for a Mixed-Use Overlay Zone (2002 –



2006)

Source: City of Saratoga, February 2002

Note: The circles are intended to show the general locations of sites with redevelopment potential for mixed-use between 2002 and 2006. See Appendix B for a listing of parcels and site maps.

Discussion of Potential Sites with Mixed Use Overlay Potential

The sites identified in Map A are those that the City has identified with the highest likelihood and feasibility for reuse between 2001 and 2006 based on the following criteria:

1. Existing density of uses in relation to maximum density permitted under current zoning. The selected sites are all significantly underused in relation to current zoning potential development under a proposed mixed-use overlay zone.
2. Age and condition of existing buildings. Each of the properties identified on Map A contains older buildings in deteriorated condition and/or construction styles that are considered marginal by current market standards in Saratoga.
3. Value of current land uses. Each of the sites contains one or more land uses that are considered to be of marginal value, or significantly less than the potential highest and best uses under current zoning, based on current market trends in Saratoga. Some of the properties have high rates of vacancy among commercial space.
4. The configuration and internal pattern of land uses and circulation are considered to be marginal under present zoning standards and current market trends in Saratoga.

INTERNAL CONSISTENCY OF GENERAL PLAN

State law requires the Housing Element contain a statement of “the means by which consistency will be achieved with other general plan elements and community goals” (California Government Code, Section 65583[c][6][B]). There are two aspects of this analysis: 1) an identification of other General Plan goals, policies, and programs that could affect implementation of the Housing Element or that could be affected by the implementation of the Housing Element, and 2) an identification of actions to ensure consistency between the Housing Element and affected parts of other General Plan elements.

The 1983 General Plan contains several elements with policies related to housing. Policies and the means for achieving consistency are summarized below in Table 1. The City will ensure consistency between the Housing Element and General Plan policies through the following actions in the Housing Element:

Table 1

Summary of General Plan Goals and Policies Affecting Housing

General Plan Element	Policy	Means for Achieving Consistency
Land Use Element	Policy 1.1	<i>Lands shall not be annexed to Saratoga unless they are contiguous to the existing City limits and it is determined by the City that public service can be provided without unrecoverable cost to the City and dilution of service to existing residents.</i> The City’s ability to accommodate its RHND allocation and meet future housing construction needs is not based on an assumption that land will need to be annexed. If annexation is necessary to accommodate the City’s regional allocation, such annexation will conform to Policy 1.1
	Goal 5.0	<i>Relate new development and its land uses to presently planned street capacities to avoid excessive noise, traffic, and public safety hazards. If it is determined that existing streets need to be improved to accommodate a project, such improvements shall be in place or bonded for prior to issuance of building permits.</i> The City does not anticipate that accommodation of the City’s RHND allocation will require street expansion or improvements beyond the needs of the development site. New residential developments will be designed to comply with existing street capacities, therefore. If local improvements are needed to address the traffic impacts of a specific project, appropriate conditions will be imposed to ensure that traffic management improvements are constructed as part of the project.

	Policy 6.1	<i>Prior to initial approval, the decision making body shall consider the cumulative traffic impacts of single family residential projects of 4 or more lots, multi-family residential projects of eight or more units, and commercial projects designed for an occupancy load of more than 30 persons.</i> Developers of single family and multi-family residential projects meeting the minimum threshold requirements will provide analysis of cumulative traffic impacts prior to project approval. The Housing Element does not contain any policies that conflict with this impact review requirement.
	Policy 8.1	<i>Existing non-developed sites zoned single-family detached residential should remain so designated.</i> Residentially zoned site will remain so designated. The Housing Element does not propose redesignation of any currently zoned single-family sites.
Circulation and Scenic Highway Element	Policy 2.7	<i>Prior to further development of major residential (4 or more single-family units; 8 or more multi-family units) or major commercial (more than 30 person occupancy) projects along the City's major arterials, the impacts of increased traffic shall be studied and a plan for minimizing these impacts shall be developed to the extent feasible.</i> The majority of new housing to be constructed over the next five years will be on existing streets and will continue to meet City standards. The Housing Element does not any policies that conflict with this traffic impact policy.
Conservation Element	Policy 2.5	<i>In the process of all new development, particular care shall be taken to preserve native oaks, measuring at least ten inches in diameter at twenty-four inches above the ground, and other significant trees by careful siting of all improvements.</i> All new housing units proposed by the updated Housing Element will comply with the City of Saratoga's Zoning Ordinance and special care will be taken during construction to preserve native oaks.
	Policy 3.4	<i>The City shall minimize the impact that development may have on the quantity of water consumed by the development.</i> The City will encourage the use of water conserving fixtures in new residential units as well as drought tolerant landscaping.
	Policy 3.5	<i>Watershed shall be protected by stringent erosion control during development and by minimizing grading to the fullest extent possible.</i> New developments will include erosion control management practices.
	Policy 6.0	<i>Protect the existing rural atmosphere of Saratoga by carefully considering the visual impact of new developments.</i> All new housing units constructed in the City will reflect the architectural style of the neighborhoods they are placed and any visual impacts to the surrounding environment will be carefully considered.

	Policy 8.0	<i>Impacts on air quality of Saratoga's air resources and protect the citizens from the potentially harmful effects of air pollution.</i> All new housing units proposed by the updated Housing Element will comply with the City of Saratoga's construction air quality standards.
Noise	Policy 1.1	<i>The City shall maintain and enforce the noise standards specified in the City's noise ordinance.</i> All new housing units proposed in the updated Housing Element will comply with the City of Saratoga's Noise Ordinance.
	Policy 2.3	<i>New development deemed noise sensitive should be appropriately sited and protected from adverse noise impacts.</i> All new housing units proposed by the updated Housing Element will comply with the City of Saratoga's Zoning Ordinance, which includes standards for noise attenuation.
	Policy 2.4	<i>The City shall require all noise-generating development to mitigate noise impacts to the adopted noise standards; acoustical analysis may be required.</i> The updated Housing Element Policies are in accordance with the Noise Element of the General Plan. The Housing Element does not address noise mitigation directly. The City's Zoning Code contains standards to protect residences from noise generators.
Safety Element	Policy 1.1	<i>No development shall be permitted in the designated urban service area without individual site-specific geotechnical investigation to determine depth of bedrock, soil stability, location of rift zones and other localized geotechnical problems.</i> A geotechnical report will be prepared prior to project approval and constructions.
	Policy 1.2	<i>Development in areas subject to natural hazards shall be limited and shall be designed to protect the environment, inhabitants and general public. In areas that have been proven to be unsafe, development of structures for human habitation shall be prohibited to the maximum extent permitted by law.</i> The updated Housing Element does not propose the development of housing in any environmentally sensitive areas.
	Policy 2.1	<i>In order to mitigate the danger of earthquake damage, the City shall enforce strict earthquake construction and soil engineering standards, selecting the most stable areas for development and requiring developers to compensate for soil instabilities through approved engineering and construction techniques.</i> All new housing units proposed by the updated Housing Element will comply with the City of Saratoga's Uniform Building Code (UBC) and will be inspected by the City's Building Inspector for compliance with all earthquake prevention standards.

	Policy 3.1	<i>The City shall continue to enforce its existing flood control regulations, and will cooperate with the Santa Clara Valley Water District when proposed projects will affect floodways in the City in order to prevent development activities from aggravating or causing potential flood problems.</i> All new housing units proposed by the updated Housing Element will comply with the City of Saratoga's Zoning Ordinance.
	Policy 4.1	<i>The City shall require the installation of an early warning fire alarm system in all new single-family and multi-family dwellings and any existing single-family dwellings which are expanded by fifty percent or more in floor area, where such new or expanded dwellings are located within designated hazardous fire areas.</i> All new housing units proposed by the updated Housing Element will include an early warning fire alarm system and will be inspected by the City's Building Inspector.

PUBLIC PARTICIPATION

The City encouraged public participation by all segments of the community by conducting a series of public workshops and study sessions with the Planning Commission and City council between October 2000 and July 2001 in the preparation of the Housing Element. Community organizations known to the City to have an interest in affordable housing issues, such as the Senior Center, church groups, and teacher groups, were notified of the meetings and invited to attend. The general public was notified through the City's monthly newsletter, a mailing to City residents, posted notices in prominent public locations, posting on the City's web site, and local cable access television.

Attendees at the City's meetings included, in addition to the general public, representatives of senior organizations, the local teacher's union, church and other ecumenical organizations, and nonprofit organizations with an interest in housing issues. The following organizations were invited to participate in public workshops and hearings and provide comments on the Housing Element through individual notifications and direct mailings:

- League of Women Voters
- Saratoga Teachers Association
- Silicon Valley Manufacturing Group
- Housing Trust of Santa Clara County

The City Council conducted a special hearing to consider which parcels of property would be included on the "map" for the Mixed-Use Housing Program. The individual property owners were notice by personal letter as were the property owners of contiguous parcels. The City also advertised in the Saratoga News, posted a notice on the City's Web Site, Kiosk and KSAR. To additionally reach out to the community, the City noticed every school that serves the City and sent a letter to the League of Women Voters.

INTRODUCTION TO THE HOUSING NEEDS ASSESSMENT

The Housing Element is one of seven state-mandated elements of the General Plan. The Housing Element contains a comprehensive list of information regarding housing needs and the existing housing stock as presented in the Housing Needs Assessment. Section 65583(a) of the Housing Element Law states that the housing element must contain an "analysis and documentation of household characteristics, including level of payment compared to ability to pay, housing characteristics, including overcrowding, and housing stock condition." The Housing Needs Assessment fulfills this requirement.

The Housing Needs Assessment provides background information on the housing needs and conditions in the City in order to prepare goals and policies that will adequately meet the needs of the community. The 2000 Census results have just begun to be released and will continue to be disseminated through 2002. As information becomes available, it will be incorporated into the City's Housing Element. It is likely that the basic thrust of this report will not change a result of new data, but the order of magnitude of the problems and relative needs will probably shift. As such, this report should be considered a work in progress. The data presented in the Housing Needs Assessment will not only guide the development of housing goals and policies, but will also be integrated into the body of the Housing Element to present the current status of housing and housing related issues in Saratoga.

This assessment is organized into four data sections. The first section focuses on demographic information such as population size, ethnicity, age, household type, income, employment, housing characteristics, and general housing needs by income, and special housing needs for specialized segments of the population. This first section basically outlines the characteristics of the community, and identifies those characteristics that may have significant impacts on housing need in the community.

The second section identifies the City's resources, the historic development pattern and areas of housing opportunity in the community. It also identifies special housing and other resources that are characteristic of the City and provide opportunity and potential constraints to housing growth and maintenance in Saratoga.

The next section discusses the governmental and non-governmental constraints to housing development in the City. The City has building standards that can limit the amount or location of housing in certain areas or can result in fees that make certain types of housing infeasible. In addition, there are environmental constraints that cause housing limitations. Non-governmental constraints such as the housing market, financing, and construction costs also limit housing growth in Saratoga.

The final section of the Needs Assessment discusses opportunities for energy conservation, which can reduce homeowner costs and infrastructure costs to the City. With a reduction in basic living costs through energy savings, more households will be better able to afford adequate housing.

Combined, these sections provide an analysis and documentation of the community's characteristics and needs, and identify potential constraints to meeting the community's needs adequately.

MAJOR FINDINGS

1. The affordability of housing in Saratoga has been an issue of concern for at least the past 20 years, but the magnitude of the problem has become especially critical over the past decade. Those at the lowest-end of the income spectrum are experiencing the greatest financial distress as a result.
2. The problem of housing affordability does not affect Saratoga alone, but is a regional problem, especially evident throughout Santa Clara County.
3. Low-income renters and homeowners, and low- and moderate-income homebuyers, have been especially hard-hit by rising housing costs.
4. Twenty years ago or more, the lack of housing affordability affected primarily seniors on fixed incomes and families living on entry-level wages or public assistance. Since that time, the problem of housing affordability has spread to virtually all but the highest income levels in Santa Clara County. It affects the ability of most governmental agencies to attract qualified, essential workers such as teachers and emergency service personnel. It also affects the ability of most entry and mid-level professionals in both public and private employment to locate suitable housing.
5. Most seniors on limited incomes, even those with substantial equities in their homes, are experiencing difficulty locating suitable housing that meets their physical needs without leaving the community. Aside from cost and income considerations, there are insufficient choices, locally, for various types of senior housing.
6. Saratoga will experience some employment growth over the next decade, primarily in retail and services. Most workers in these industries will have low- or moderate-incomes and will be unable to find affordable housing in the area. Few of the current workers in these industries are able to live in the City or nearby. The overall rate of employment growth in Saratoga is anticipated to be much lower than that projected by ABAG because a small percentage of the total land area of Saratoga (less than three percent) is zoned for commercial uses.
7. Most of the remaining land available for development is located in hillside areas with limited development capacity to accommodate higher density housing that might be affordable to low- or moderate-income households. A few sites remain that may be suitable for higher density housing, infill, or mixed-use developments. The potential to accommodate affordable housing will remain limited, however, unless existing land uses are re-designated for more intense use. By itself, however, redesignation is unlikely to have a significant impact on the supply of affordable housing because of such limiting factors as slope and geology, cost of land, lack of utilities and infrastructure, cost of preparation of land for development, and impact on established surrounding neighborhoods.
8. As a result of the rapid increase in higher paying jobs having outpaced the availability of living accommodations in the region, the cost of shelter in this demand-driven free market has risen to accommodate the highest income segments of the population. Not only has this created a larger number of households for whom housing has become less affordable, but it has also widened the gap between the price of shelter and what it would cost to close the affordability gap. Coupled with the lack of an abundance of easily

developable land in the region, the practical opportunities to meet all the affordable housing needs are severely constrained. Therefore, a meaningful housing strategy will require that there be a realistic assessment of the availability of programs and fiscal resources and a careful prioritization of the needs that are to be met.

HOUSING NEEDS ASSESSMENT

POPULATION CHARACTERISTICS

Population

Saratoga has not experienced substantial population growth for several decades, that is, by 1979 the City had allowed development of most of the vacant land in the City. Most population changes that have occurred since 1980 are due largely to changes in households inhabiting existing dwellings. Because Saratoga is nearly built out, except for hillside areas, there has been little newly constructed housing over the past 20 years. Changes in household composition related to age and the percentage of households with children have had a greater influence on Saratoga's population than growth from new development. The City's population gradually increased between 1970 and 1980 and peaked about 1980, when the U.S. Census recorded 29,261 residents. Between 1980 and 1990, the number of residents began to gradually decline, to 28,061. This decline resulted from a combination of little new residential development and a decrease in the number of families with children.

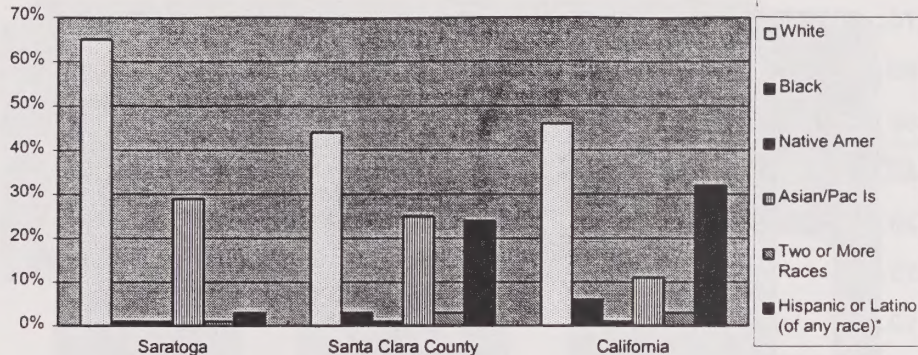
Since 1990, the City's population has increased about eleven percent, slightly less than the growth rate (15 percent) for Santa Clara County overall. According to the California Department of Finance (DOF), the City's population was 31,300 as of January 1, 2000. City projections show a continual increase in the City's population to 2020 with an estimated increase of ten percent (Association of Bay Area Government 2000 Projections). Most of this increase appears to be related to changes in household composition—the number of households with children has increased in the community since 1990.

Ethnicity

In 2000, the relative proportions of the various ethnic groups in Saratoga varied significantly from those of other cities in Santa Clara County or as the state as a whole. While persons of Hispanic origin comprise about one-fifth of the countywide population and over one-fourth of the statewide population, such individuals comprise three percent of the City's population. Similarly, Blacks and other minority groups representing large segments of the countywide and statewide populations consist of less than one percent of the city's population. Asian and Pacific Islanders comprise twenty-nine percent of the Saratoga's population, close to the population within Santa Clara County and about eighteen percent higher than the statewide population. Figure 2 compares ethnicity on a citywide, countywide, and statewide basis.

Figure 2

Comparison of Race/Ethnicity by City, County, and State Population



Source: 2000 Census

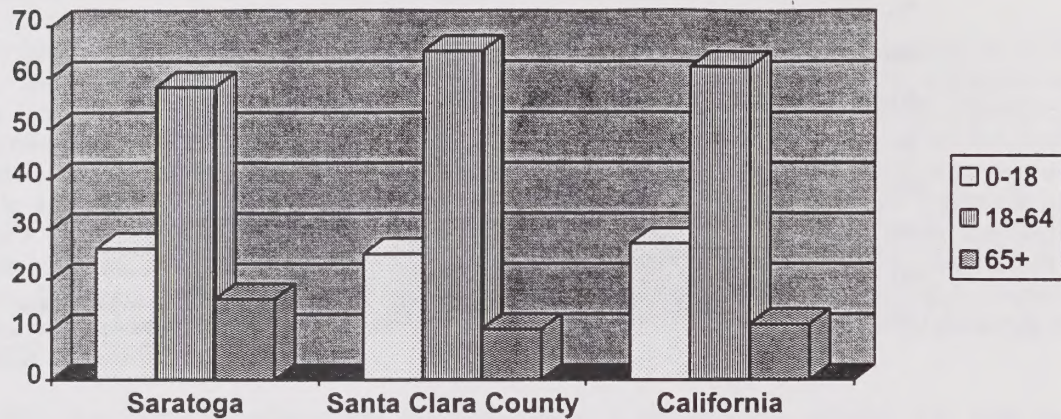
*Population of Hispanic origin includes all racial categories. Racial categories include only non-Hispanic origin.

Age

The age distribution in Saratoga is similar to the population of Santa Clara County as a whole, with a slightly higher number of seniors living in the City and a slightly lower number of children (see Figure 3). The percentage of City residents 65 years of age or more increased in Saratoga from eight percent in 1980 to 13 percent in 1990 and again to 16 percent in 2000. As a result, the City's median age is higher than in many neighboring communities, the county, and the state. However since 1990, Saratoga has experienced an eleven percent increase in population primarily related to changes in household size and composition. Enrollment statistics from the seven schools that serve Saratoga suggest that the number of households with school age children has slightly increased since 1990, with a more substantial increase in recent years. The recent increase in school-aged children is due to the re-sales of homes formerly occupied by older adults to families with young children (Saratoga News April 2000). The school districts serving Saratoga reported that about 4,440 Saratoga residents were enrolled in individual districts for the 1999-2000 school year. Families with children under age five has also increased since 1990; however the percentage of the population less than 17 years of age is five percent less than the county and state population. The number of Saratoga residents in the 18-64 year old age bracket is quite similar to the county and state population.

Figure 3

Age Distribution (percent)



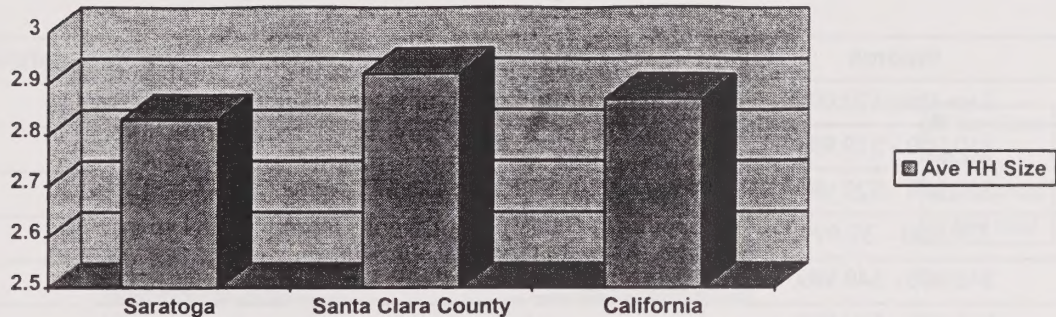
Source: 2000 Census

Households

Because of the larger percentage of seniors, non-families, and family households without children in Saratoga, the average household size is substantially below the countywide and statewide levels for the same period. At time of the 2000 Census, over half of all households in Saratoga consisted of one or two individuals. The large number of non-family households and childless couples further illustrate the reasons for the smaller average household size in Saratoga. Although Saratoga has seen a gradual increase in household size between 1990 and 2000, from 2.7 to 2.8, the average household size is still below the countywide and statewide average household sizes. Figure 4 compares average household sizes in Saratoga, Santa Clara County, and California for 2000.

Figure 4

Average Household Sizes (2000)



Source: 2000 Census

Of the approximately 8,600 families reported in Saratoga in 2000, over ninety percent were married-couple families. Over one-third (38 percent) of households in the City are families with children under 18. About three percent of all households were single-parent households in 2000, two-thirds of which were single mothers. The proportion of single-parent households in Saratoga was below the levels both countywide (seven percent) and statewide (ten percent).

INCOME CHARACTERISTICS

According to the 1990 census, the median household income in Saratoga was \$86,674. This was above the county median of \$48,115 (see Table 1). There was no income data available from the 2000 Census at the time the Housing Element was updated. Federal income guidelines for participation in various housing subsidy programs (Department of Housing and Urban Development), is based on the size of a household's income relative to the median income for the area. For a family of four, the median income was estimated to be \$87,300 in Santa Clara County in 2001. The federal government does not provide income guidelines or estimates for individual cities.

In evaluating income levels, four standard measures are often used: "very low-income," "low-income," "moderate-income," and "above moderate-income." These income levels are expressed as a percentage of the median income (the mid-point at which half of all households earn more and half earn less) and are usually adjusted for household size. Thus, a "low-income" household of four has a higher income than a "low-income" household of two. An income below \$48,350 for a single person was considered low-income according to HUD. An income of \$91,150 for an eight-person household was also considered low-income.

Table 1**1990 Saratoga Household Income**

Income	Percent of Households	Number of Households
Less than \$10,000	3%	318
\$10,000 - \$19,999	3.3%	337
\$20,000 - \$29,999	4.1%	416
\$30,000 - \$39,999	5.9%	929
\$40,000 - \$49,999	6.6%	671
\$50,000 - \$59,999	6.5%	661
\$60,000 - \$74,999	10.8%	1099
\$75,000 - \$99,999	17.6%	1786
\$100,000 - \$124,999	15.9%	1616
\$125,000 - \$149,000	8.4%	851
\$150,000 or more	17.7%	1797

Source: 1990 Census

INCOME DEFINITIONS (1990):

Very low-income = 50% or less of the Santa Clara County median income (\$24,057).

Low-income = 51% to 80% of the Santa Clara County median income (\$24,439 - \$38,492).

Moderate-income = 81% to 120% of the Santa Clara median income (\$38,973 - \$57,738).

Above Moderate-Income = 121% or more of the Santa Clara County median income (\$58,219).

Table 2 shows the number of households in each income group in 1990. Figure 4 shows that slightly over three quarters (77 percent) of Saratoga residents had above moderate incomes in 1990, while only one-sixth (16 percent) had very low or low incomes. Although there has been no citywide census update since 1990, economic trends, such as rising home prices, suggest that households who have moved to Saratoga since 1990 have higher average incomes than long-term residents. If the 2000 Census confirms this hypothesis, then the gap between countywide incomes and incomes among Saratoga residents has widened further, as the gap between city and county housing prices has increased (Housing prices are discussed on page 40).

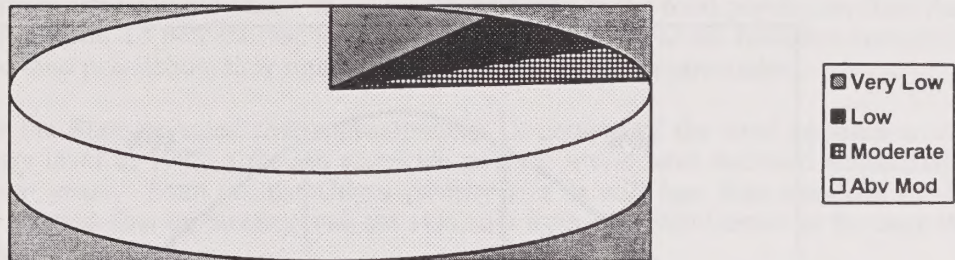
Table 2**1989 Saratoga Household Income Range by Income Category**

Income Category	Income Range	Percentage of Households	# Of Households (roughly)
Very Low Income	\$0-\$24,058	8%	819
Low Income	\$24,059-\$38,492	7%	671
Moderate Income	\$38,493-\$57,738	77%	7810
Above Moderate Income	\$57,739+		
Median Income: \$86,674			

Source: 1990 Census

Figure 4

1989 Saratoga Income Distribution



Source: 1990 Census

HUD income limit areas are the same as Fair Market Rent areas. HUD normally uses current Office of Management and Budget (OMB) Metropolitan Statistical Area (MSA) and Primary Metropolitan Statistical Area (PMSA) definitions to define income limits areas because they closely correspond to housing market area definitions. The median income level for a four-person household was approximately \$87,300. Table 3 shows the 2001 income limits.

Table 3

Santa Clara County Income Limits (2001)

Household Size	Extremely Low Income (30% of Median)	Very Low Income (50% of Median)	Low Income (80% of Median)
1 Person	\$18,350	\$30,550	\$48,350
2 Persons	\$20,950	\$34,900	\$55,250
3 Persons	\$23,600	\$39,300	\$62,150
4 Persons	\$26,200	\$43,650	\$69,050
5 Persons	\$28,300	\$47,150	\$74,550
6 Persons	\$30,400	\$50,650	\$80,100
7 Persons	\$32,500	\$54,150	\$85,600
8 Persons	\$34,560	\$57,600	\$91,150

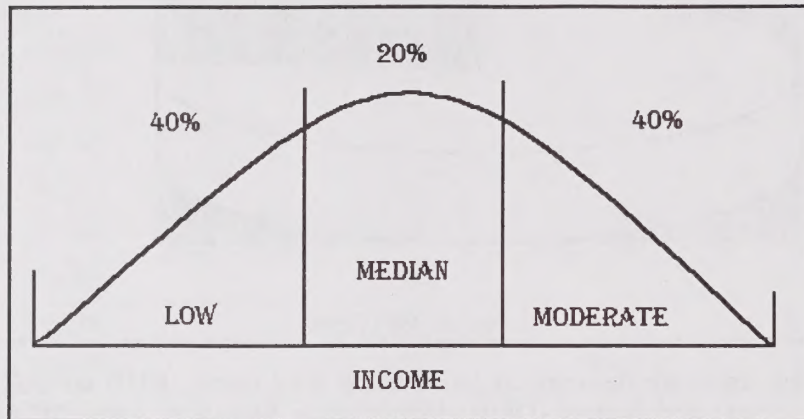
Source: HUD 2001 Income Guidelines.

In a normally distributed population (that is, one not skewed to either end of the income scale), approximately 40 percent of the population will have incomes within the very low- and low-income ranges, about 20 percent within the moderate-income range, and about 40 percent in the above moderate-income range (Figure 5) a substantial dispersion of income within the City around the median. Still, over three-fourths of Saratoga residents earned above moderate incomes in 1990 as defined below. Saratoga has a larger relative percentage of above moderate-

income households and a smaller percentage of low-income households in relation to the countywide income distribution.

Figure 5

Income Distribution Scale



Source: Parsons

Poverty

The poverty rate is a federally defined level of income for minimum subsistence. The dollar threshold for poverty is adjusted for household size and composition. In 1989, less than two percent of the population was living below the poverty level, which is a small percent compared to neighboring cities in the region. Of the individuals in households with incomes below the poverty level, 30 percent were senior citizens, 59 percent were adults between the ages of 18 and 64, and 11 percent were children under the age of 17. Table 4 provides 1995 poverty thresholds for several types of households:

Table 4

Poverty Thresholds (1999)

Single Person 65+	\$7,990	Two Adults, One Child	\$13,410
Single Person Under 65	\$8,667	One Adult, Three Children	\$16,954
Two Persons 65+	\$10,070	Two Adults, Two Children	\$16,895
Two Persons Under 65	\$11,156	One Adult, Four Children	\$19,578
One Adult, Two Children	\$13,423	Two Adults, Three Children	\$19,882

Source: U. S. Census Bureau

According to 1990 Census data, less than two percent of the City's population had incomes below the federally defined poverty level. Groups most likely to have poverty level incomes were married couples without children and the elderly. Of those below the poverty level, 77 percent were White, 18 percent were Black and Asian/Pacific Islander, and 11 percent were of Hispanic

origin. The racial composition of people below the poverty level is similar to the racial composition of the City as a whole, as higher proportions of Whites are impoverished. The highest number of impoverished Whites, Asian/Pacific Islanders, and Others were adults age 18 to 64. The highest numbers of impoverished Blacks Americans were age 75 and older.

By comparison, slightly less than eight percent of the County's population was below the poverty level. About 50 percent of the impoverished were White, compared to a total White population of 58 percent. Native Americans, Blacks, and Hispanic origins comprised about the same percentages of impoverished individuals as their representation in the total population (less than one percent, six percent, 18 percent respectively). Although Asian/Pacific Islanders comprised 17 percent of the total population, they represented 23 percent of the impoverished.

Census data for the State revealed that approximately 18 percent of the total population was below the poverty level in 1990, although statewide poverty levels have declined substantially over the past two years. Even so, the City's poverty rate is still less than one-fifth of the statewide rate. Census data on poverty was not available from the 2000 Census at the time the Housing Element was updated.

Table 5

Saratoga 1990 Poverty Rates

Group	Above Poverty Level	Below Poverty Level	Poverty Rate
Elderly	3250	105	3%
Non-Elderly	25,570	292	1%
Children	5,650	48	1%
Adults	18,345	244	1%
Single Mother Families	461	8	2%
Single Father Families	213	0	0
Married Couple Families	7,648	35	0.5%
Black	78	14	18%
Asian/Pacific Islander	4,144	62	1.5%
Hispanic	216	44	20%
Native American	22	0	0
Other	41	0	0
White	22,904	308	1.3%
Total Population	27,642	397	1.5%
Total Households	10,148	159	1.6%

Source: 1990 Census Bureau Data.

EMPLOYMENT TRENDS

According to the California Employment Development Department (EDD), the City of Saratoga had a 1.2 percent unemployment rate in September 2000, about 200 persons of a total labor force

of 17,520 people. The unemployment rate for the City is lower than the countywide rate but reflects the general statewide trend of dramatically lower unemployment since the early 1990s.

In 1990, the City had an unemployment rate of 2.4 percent, compared to the County's unemployment rate of three percent. The unemployment rate in Saratoga has been low historically in comparison to other areas of the County and the rest of the United States. Even during the early 1990s at the depth of California's recession, unemployment in Saratoga was relatively low (2.4 percent). Now, the labor force is rising (14,800 in 1990 compared to 17,520 in 2000).

The 1990 Census data shows that most residents were employed in managerial and professional specialty occupations (58 percent of employed residents). This is a very high percent compared to most communities in California and explains the substantially higher incomes in the City.

Other common occupations included sales occupations (13 percent) and administrative support (12 percent). The census data shows that over 90 percent of the employed residents work within Santa Clara County; however, only about 15 percent of these employees worked in Saratoga. A majority of residents travel over twenty minutes to work, with over 65 percent having to travel at least 20 minutes to work.

One measure of local retail employment is the amount of retail sales activity. Figures from the Board of Equalization show that taxable sales in Saratoga are low compared to most other cities in Santa Clara County. In 1997, taxable retail sales in Saratoga totaled \$13,750 per capita, while all taxable sales totaled \$18,578 per capita. In 1998, per capita taxable retail sales rose to \$15,495 while total taxable sales increased to \$19,297. In 1999, per capita taxable retail sales decreased to \$14,993 and total taxable sales decreased to \$18,652.

The Association of Bay Area Governments projections for Saratoga's show a steady increase in the number of jobs in Saratoga from 1995 to 2020, with the number of jobs increasing from 7,270 to 10,480. According to the 1997 Economic Census, there were 2,830 annual payroll employees in Saratoga, 40 percent were employed in retail trade and accommodation and foodservice. Health care and social assistance employed 14 percent of the population. Association of Bay Area Governments (ABAG) projected that the labor market in 2000 is made up of 55 percent service workers, 24 percent "other" employees, 15 percent retail employees, four percent manufacturing/wholesale and two percent agricultural/mining.

Jobs available in the City of Saratoga, the jobs held by city residents, whether located in the City or elsewhere, are affected by regional trends. The State Employment Development Department 1999 annual average statistics show the civilian labor force for Santa Clara County to be 962,800, with an unemployment rate of three percent. This is significantly lower than the state's unemployment rate of just over five percent. Santa Clara County enjoys one of the lowest unemployment rates in California, but at the expense of upward pressure on housing costs.

According to the State Employment Development Department 1995-2002 projections data for Santa Clara County, the largest industries in the County are services (46 percent growth), retail (24 percent growth), and manufacturing (9 percent growth). The business services sector is expected to account for the largest growth, with more than 80,000 new jobs. The fastest growing occupations in the County between 1995 and 2002 are expected to be computer system analysts/electronic data processor (95 percent), home health care workers (86 percent), computer engineers (68 percent growth), amusement/recreation attendants (68 percent), computer support specialists (58 percent), and database administrators (56 percent). Occupations that have large employment and have high turnover rates generally provide the most job openings. Santa Clara County is projected to have employment opportunities not only in these high turnover occupations but also in the more technologically advanced categories.

Despite projections for strong job prospects and regionally available high-paying jobs for City residents, many, if not most, of the jobs expected to be created in Saratoga will continue to be in services and retail industries that typically employ low- and moderate-income wage earners. In addition, the demand for services of all kinds will remain strong. For these reasons, Saratoga will continue to experience a local demand for housing affordable to these income groups. The large number of high paying jobs in the region in recent years has created an upward pressure on housing costs that has left behind other wage earners who have not shared in the newfound wealth. The result is that households previously considered middle class, such as teachers and public safety personnel have joined the ranks of other disadvantaged groups in need of affordable housing. According to the 1998 Occupational Employment Statistics Survey produced by the CA Employment Development Department, the mean hourly wage for Santa Clara County is \$19.42. Some of the major Employers listed for Santa Clara County include 3 Com Corp, Apple Computers, Cisco Systems Inc., Hewlett-Packard Co. and Intel Corp.

The CA Employment Development Department (EDD) produced an Occupational Employment and Wage Data spreadsheet by County for 1998. This spreadsheet lists over 600 jobs in Santa Clara County alone. A sample of jobs and salaries was taken relating to necessary services in Saratoga. The mean annual wage, and the 25th percentile and 75th percentile of the working force for each job category are listed below (Table 6).

Job Category	Mean Annual Wage	25 th Percentile	75 th Percentile
Administrative Support	\$18,500	\$15,000	\$22,000
Business Operations	\$22,000	\$18,000	\$26,000
Construction	\$25,000	\$20,000	\$30,000
Education	\$28,000	\$23,000	\$33,000
Health Services	\$30,000	\$25,000	\$35,000
Information Technology	\$35,000	\$30,000	\$40,000
Manufacturing	\$20,000	\$16,000	\$24,000
Professional Services	\$32,000	\$27,000	\$37,000
Retail	\$16,000	\$13,000	\$19,000
Service	\$15,000	\$12,000	\$18,000
Transportation	\$19,000	\$15,000	\$23,000
Utilities	\$21,000	\$17,000	\$25,000
Waste Management	\$17,000	\$14,000	\$20,000
Wholesale Trade	\$23,000	\$19,000	\$27,000

Table 6

Occupational Employment and Wage Data for Santa Clara County 1998

Occupational Title	Employment Estimates	Mean Annual	25th Percentile Annual Wage	75th Percentile
Urban and Regional Planners	4	\$52,420	\$38,230	\$70,283
Social Workers, Medical and Psychiatric	1,160	\$37,870	\$24,315	\$47,736
Human Service Workers	1,330	\$27,140	\$18,450	\$32,385
Teachers (Preschool)	2,320	\$22,070	\$18,782	\$24,211
Teachers (Kindergarten)	1,170	\$39,900	*	*
Teachers (Elementary School)	8,200	\$46,860	*	*
Teachers (Secondary School)	7,560	\$50,150	*	*
Teachers (Special Education)	1,690	\$49,940	*	*
Teachers and Instructors, Vocational Education and	1,280	\$34,790	\$22,589	\$41,392
Librarians, Professional	670	\$49,140	\$37,440	\$65,208
Technical Assistants, Library	370	\$27,710	\$22,776	\$30,451
Vocational and Educational Counselors	740	\$48,020	\$31,844	\$70,283
Teachers Aides, Paraprofessional	4,070	\$20,040	\$13,832	\$24,689
Emergency Medical Technicians	420	\$25,500	\$20,404	\$29,681
Pharmacists	1,040	\$64,370	\$61,027	\$82,180
Municipal Clerks	Not Available	\$57,330	\$48,526	\$75,899
Receptionists and Information Clerks	10,740	\$23,620	\$18,366	\$27,934
Fire Fighting and Prevention Supervisors	790	\$61,400	\$46,924	\$82,492
Police and Detective Supervisors	800	\$62,230	\$53,913	\$84,115
Fire Fighters	2,590	\$44,390	\$34,985	\$55,515
Police Patrol Officers	2,130	\$52,490	\$43,409	\$69,971
Parking Enforcement Officers	Not Available	\$31,450	26,353	\$29,556
Bus Drivers, School	1,010	\$26,300	\$22,568	\$31,075

Source: Employment Development Department

* For some occupations, workers may not work full-time all year-round. For these occupations it is not feasible to calculate an hourly wage.

Residents in Saratoga are in a strong position to fill suggested job vacancies in the county given the education attainment levels, workforce numbers, and the number of persons receiving public assistance. Table 7 shows that over four-fifths of adults (85 percent) in the City attained additional education after high school, well above the County's 64 percent. Less than five percent

of adults in Saratoga had less than a high school education, compared to approximately 17 percent of adults countywide.

Table 7

1990 Saratoga Educational Attainment

Educational Level	City Population	Percent of Population	County Population	Percent of Population
Less than 9 th Grade	326	1%	87,215	7%
9 th to 12 th Grade – No Diploma	994	4%	128,257	10%
High School Graduate (or GED)	2,672	10%	223,671	18%
Some College – No Degree	4,710	17%	273,815	22%
Associate Degree	1,504	5%	91,076	7%
Bachelor's Degree	12,126	44%	335,368	26%
Graduate or Professional Degree	5,247	19%	119,081	9%

Source: 1990 Census Bureau Data; Educational Attainment for persons 25 years and over.

Few adult, non-senior Saratoga residents receive public assistance or are not part of the labor force. In the City of Saratoga, 187 households (less than two percent) received public assistance in 1989 according to the 1990 Census. About 35,215 households (about seven percent) in the County received public assistance in 1989.

REGIONAL HOUSING NEEDS ASSESSMENT (RHNA)

ABAG's methodology is based on the regional numbers supplied by the State Department of Housing and Community Development (HCD), these are "goal numbers" and are not meant to match, and often exceed, anticipated growth in housing units. A goal vacancy rate is set by (HCD), and then a housing unit need to meet that vacancy rate is derived by assessing potential growth rates (population, jobs, households) and loss of housing due to demolition. The numbers produced by HCD will be provided to ABAG in the form of a regional goal number, which is then broken into income categories. ABAG is then mandated to distribute the numbers to Bay Area jurisdictions by income categories. ABAG is responsible for allocating the Regional Housing Needs Determination (RHND) goal number to cities and counties in the Bay Area.

The "Regional Housing Needs Determination," was adopted by ABAG in March 2001. This plan covers the period from January 1, 1999 through June 30 2006. Existing need is evaluated based on overpayment (30 percent or more of income) and overcrowding by lower income households and the need to raise vacancy rates in the jurisdiction to a level at which the State Department of Housing and Community Development market would operate freely.

The methodology used to determine the future need considered the growth in number of households expected, the need to achieve ideal vacancy rates, the need for more housing opportunities, and compensation for anticipated demolition. An "avoidance of impaction" adjustment was applied to the preliminary allocation figure to avoid further concentration of low-income units in jurisdictions that have more than the regional average.

The RHND allocation is a minimum needs number—cities and counties are free to plan for, and accommodate, a larger number of dwelling units than the allocation. The City must however use the numbers allocated under the RHND to identify measures (policies and ordinances) that are consistent with these new construction goals. While the City must also show how it will accommodate for these units to be built, it is not obligated to build any of the units itself or finance their construction.

According to the RHND, the City of Saratoga has a total housing construction need of 538 units and an annual need of 72 units. Table 8 shows Saratoga's 1999-2006 planning period allocation.

Table 8**Regional Housing Needs Determination (2000)**

Dwelling Units	% Of Total	Income Level
75	14%	Very Low Income
36	7%	Low Income
108	20%	Moderate Income
320	59%	Above Moderate Income

Source: ABAG 1999-2006 Regional Housing Needs Determination

SARATOGA HOUSING PROFILE

According to the California Department of Finance, approximately 278 housing units were vacant in 2000, a vacancy rate of 2.6 percent. By comparison, the countywide vacancy rate was 3.8 percent. The proportion of different types of housing countywide remained constant between 1990 and 1999—fifty-six percent single detached houses, twenty-five percent multiples of five or more units, nine percent single attached houses, eight percent multiples of two to four units, and four percent mobile homes. Over four-fifths of the City's housing units were single family detached homes (90 percent), followed by multiple units of five or more (4 percent), multiple units of two to four (two percent), single-family attached units (one percent), and far less than one percent mobile homes. Countywide, there is a substantially higher percentage of housing units in multifamily buildings of five or more units and a substantially lower percentage of single-family homes than in Saratoga.

Annual changes in the housing stock were small between 1990 and 2000 due to the low level of new construction activity. In 1991, 12 multiple housing units were added to the housing stock and in 1992, three more multiple units were constructed. Most new residential construction comprised single-family homes, with 460 houses added since 1990. Tables 9 and 10 show the annual changes in the housing stock between January 1990 and January 2000 as determined by the California Department of Finance.

Table 9

Housing Estimates for the City of Saratoga (1990 through 2000)

Year	Housing Units								Persons Per Household
	Total	Single		Multiple		Mobile Homes	Occupied	% Vacant	
		Detached	Attached	2 to 4	5 Plus				
1990	10,315	9,214	483	148	465	5	10,050	2.6	2.7
1991	10,369	9,256	483	152	473	5	10,103	2.6	2.7
1992	10,398	9,282	483	155	473	5	10,131	2.6	2.7
1993	10,429	9,313	483	155	473	5	10,161	2.6	2.7
1994	10,441	9,325	483	155	473	5	10,173	2.6	2.8
1995	10,458	9,342	483	155	473	5	10,189	5.6	2.8
1996	10,489	9,373	483	155	473	5	10,219	2.6	2.9
1997	10,636	9,520	483	155	473	5	10,362	2.6	2.9
1998	10,718	9,602	483	155	473	5	10,442	2.6	2.9
1999	10,764	9,648	483	155	473	5	10,487	2.6	2.9
2000	10,790	9,674	483	155	473	5	10,512	2.6	2.9
2000 (Census)	10,649	---	---	---	---	---	10,450	1.9%	2.83
2001 (DOF)	10,655	---	---	---	---	---	10,456	1.9%	---

Source: California Department of Finance (DOF), 1990-2000 City/County Population and Housing Estimates; 2000 Census (partial information available only), DOF E-5a report of population and housing units for January 2001, as adjusted based on the 2000 Census housing unit counts.

Table 10**Housing Estimates for Santa Clara County (1990 through 2000)**

Year	Housing Units								Persons Per Household
	Total	Single		Multiple		Mobile Homes	Occupied	% Vacant	
1990	540,240	303,212	47,668	42,096	126,338	20,926	520,180	3.7	2.8
1991	543,532	304,332	47,956	42,167	128,155	20,922	523,532	3.7	2.8
1992	547,884	305,447	48,210	42,407	130,972	20,848	527,541	3.7	2.8
1993	551,584	306,578	48,872	42,507	132,779	20,848	531,107	3.7	2.9
1994	555,429	308,364	49,060	42,699	134,628	20,678	534,729	3.7	2.9
1995	559,010	310,242	49,423	42,742	135,984	20,619	538,094	3.7	2.9
1996	562,352	312,166	49,423	43,018	137,126	20,619	541,406	3.7	2.9
1997	566,164	314,649	49,531	43,225	138,141	20,618	544,358	3.8	3.0
1998	573,593	318,463	49,725	43,594	141,193	20,618	551,516	3.8	3.0
1999	581,532	322,454	49,839	43,760	144,861	20,618	559,166	3.8	3.0
2000	589,010	325,874	50,045	44,062	148,411	20,618	566,188	3.8	3.0
2000 (Census)	579,329	---	---	---	---	---	---	2.3	2.92
2001 (DOF)	584,068	---	---	---	---	---	570,495	2.32%	---

Source: California Department of Finance, 1990-1999 City/County Population and Housing Estimates; 2000 Census (partial information available only), DOF E-5a report of population and housing units for January 2001, as adjusted based on the 2000 Census housing unit counts.

Housing Occupancy and Tenure

Of the 10,790 year-round dwelling units reported by the Department of Finance (10,649 according to the 2000 Census), less than two percent was vacant in 2000. Most of the vacant units were for sale, as shown on Table 11. In 1990, more housing units were owner-occupied (89 percent) than renter-occupied (11 percent). By comparison, the tenure of occupied housing units in the County was 60 percent owner-occupied units and 41 percent for renter-occupied units. Table 11 shows that both the City and County had a substantial shortage of ownership housing that was vacant and available for sale compared to rental housing that was vacant and available to rent in relation to the proportion of ownership and rental housing in 2000.

Because of the substantially lower percentage of lower-income residents in the City, most City residents face fewer financial barriers to homeownership compared to County residents. However, as prices have risen over the past 20 years, it has become impossible for low-income and most moderate-income households to purchase a home, with the exception of a small percentage of older homeowners who have substantial equity in an existing home. To afford even the least cost-home in Saratoga, a low-income household would have to possess accumulated equity in an existing home, or equivalently valued assets that could be converted to cash, of at least \$400,000. A moderate-income household would have to have accumulated assets of at least \$300,000.

P-D (Planned Development) Mixed

The General Plan also has allowable residential development within the broad commercial category. The P-D (Planned Development). Mixed commercial subcategory allows a mix of residential and commercial uses under certain design criteria. This designation corresponds to the P-A, C-N, C-V, and C-H zones. (Note: this P-D zone is unrelated to the proposed Mixed Use Overlay Zone.)

Table 26

Vacant Lands in Saratoga by Zoning District 2001

Zone	Acres	Maximum Potential Dwellings
Residential		
Hillside Residential	565	270
R-1-40,000	94	75
R-1-20,000	7	14
R-1-15,000	1	3
R-1-12,500	2	6
R-1-10,000	6	21
R-M-5,000	0	0
R-M-4,000	0	0
R-M-3,000	0	0
Sub-total	675	389
Commercial		
Professional/Administrative	9.5	90 - 110*
C-N	0.0	0
C-V	0.0	0
C-C	0.0	0
C-H	0.2	2
Sub-total	9.7	92 - 112
Open Space		
Residential Open Space	18.6	2
Land Under Williamson Act Contract	220.9	N/A
Agriculture	17.4	5
Sub-total	256.9	7
TOTAL	941.6	488 - 508

*Mixed-Use Project

VACANT LAND BY PARCEL SIZE

	< ¼ acre	¼ - ½ acre	½ - 1 acre	> 1 acre	Total # of Parcels
Hillside Residential	4	4	6	52	66
Single-Family	59	20	23	34	136
Multi-Family	0	0	0	0	0
Commercial	1	0	0	1	2

Source: City of Saratoga 2002

**Before density bonuses for very low- or low-income units; assumes that one dwelling unit will be permitted on non-conforming lots that are less than the minimum required lot size.

AVAILABLE PUBLIC FACILITIES AND SERVICES, INFRASTRUCTURE

Most of the vacant land is located in hillside areas. These areas tend to be further away from urban services, have limited access, and have geologic and other environmental constraints on development. New sewer and storm drainage systems are required for development in the hillsides. Control of the runoff is critical to protect water quality and prevent erosion and flooding.

There are some remaining small isolated vacant parcels that are scattered throughout the City surrounded by existing development and could be classified as infill. Providing services to areas that are not currently being service would be relatively easy since they are close to existing utility systems and would require only minimal extension of such systems. Police and fire protection and access to the schools are easier for these parcels than hillside areas since the travel distances is significantly less. These infill parcels are also better served by public transportation because many of them are within walking distance of an existing bus route.

CONSTRAINTS

NON-GOVERNMENTAL CONSTRAINTS

Availability of Financing

The City has not uncovered any local constraints to the availability or cost of financing for home purchases or rehabilitation that differ significantly from the availability and cost of financing generally in California. Even in older neighborhoods of the City, there are no barriers to obtaining financing for home purchase, improvement, or construction (other than customary underwriting considerations by lenders). Because virtually all homeowners and homebuyers in Saratoga have moderate or higher incomes, there are few barriers to obtaining financing relating to income—the primary consideration is whether the housing price or home improvement cost is consistent with the borrower's ability to make monthly loan payments.

Rental Availability

Rental availability in Saratoga is extremely low with a vacancy rate of less than one percent. The low vacancy rates means that there are limited housing choices for residents who cannot afford to purchase a home in Saratoga. A five percent rental vacancy rate is considered necessary to permit ordinary rental mobility. With less than one percent vacancy rate tenants have difficulty locating appropriate units and the strong market pressure has inflated rents beyond the reach of the very low, low, and moderate income Saratoga residents.

Land Costs

Land costs are a major factor in the cost to build in Saratoga. According to the California Association of Realtors, housing prices have been rising in the area, nearly five percent between December 1999 and December 1998. This increase also includes vacant land, which is very scarce in the City. A search of LoopNet® Internet land-for-sale records between September 2000 and June 2001 uncovered no vacant residential properties for sale in Saratoga. A wider search of vacant residential properties, and properties with residential potential, within a five miles of Saratoga revealed the following results:

1. Single family residential lots, hillside: \$230,000 to \$1 million per lot
2. Single family residential lots, non-hillside: \$200,000 to \$850,000 per lot

3. Multifamily, medium density: \$175,000 to \$250,000 per dwelling unit
4. Commercial properties with residential potential: \$1.7 - \$3.5 million per acre (\$70,000 to \$290,000 per dwelling unit, depending on assumptions about density)

Given these extremely high land costs, it is unlikely that increases in density (such as a 25% density bonus) would significantly reduce the unit cost of building a dwelling unit to the level of affordability for low- or moderate-income households. The added construction of multi-story (three or more) structures that would be required to achieve densities significantly above the density permitted by zoning, plus a density bonus, would off-set most of the cost savings from reduce land costs per dwelling unit. .

Construction and Labor Costs

The most significant constraint on development of new housing in Saratoga is the overall cost of housing, including land costs and construction costs. Many factors can affect the cost to build a house, including the type of construction, materials, site conditions, finishing details, amenities, and structural configuration. Development costs were developed from estimates provided by Allen Lambert of Morse Enterprises in Saratoga and Chuck Bommarito, Pinn Brothers Construction.

Permitting costs in Saratoga are about \$30,000 for an average size home. The total includes permitting costs and school fees.

Once a vacant parcel is purchased, the contractor has to make certain site improvements to prepare for building on the property. Such improvements include connections to existing utility systems, rough grading, plus installation of water, and sewer lines. This type of work generally costs between \$40,000 to \$70,000 depending on the amount of work required at each location.

Materials and labor have a wide range of costs depending on the type of materials used for construction. Typically more expensive materials are used for custom homes, which ranged from \$140 to \$200 per square foot. An average quality construction single-family home generally costs less because the materials are less expensive and easier to handle. These material and labor costs for these homes cost around \$65 per square foot.

In addition to site improvement costs and the cost for building materials, there are engineering and architecture soft costs, which can range from \$10,000 and \$70,000 per lot. Additional costs including trash and temporary fencing average about \$5,000 per lot.

At the costs listed above, none of the very low, low, or moderate-income households in Saratoga can afford to build a home in the area. The scarcity of easily developed land, combined with the great demand, indicates that housing construction costs are likely to remain high in the future. Saratoga will continue to follow the trend that is occurring throughout the Bay Area and the Silicon Valley.

Although construction costs are similar in surrounding communities, land costs can vary significantly. In neighboring communities, the cost of single-family land can range from \$175,000 to over \$2 million per acre, depending on location, views, zoning, availability of utility connections, and whether the property has been approved for subdivided lots. One property for sale was listed at \$1.545 million for four ¼-acre lots. (Source: November 2001 listings from LoopNet®, an internet property search resource.)

Land Use Controls

Historically, Saratoga has been a large lot single-family home community. The basis of the community's identity has been low-density residential neighborhoods that maintain a semi-rural feel to the City. Commercial development has been limited primarily to retail and services needed by the local population, although the historic downtown business district does attract visitors from outside the City. The preservation of heritage orchards, hillside and other open spaces, and active agricultural lands have been integral to maintaining this community vision.

The City's land use policies have worked well in past decades when plenty of open space and developable land was available in other parts of Santa Clara County to meet the needs of a growing, and diverse, population. Over the past 20 years, however, vacant land has become increasingly scarce, except in the southern part of the County, while countywide employment growth and redevelopment in many developed communities have created large demands for additional housing. Over the past decade, in particular, Saratoga has been greatly affected by the extreme increase in housing costs that have accompanied the shortage of housing.

Saratoga and other Santa Clara County communities are required by state law to plan for, and accommodate, additional housing at a variety densities to meet a fair share of the additional housing needs of all income segments under a regional housing allocation plan (Regional Housing Needs Determination, or "RHND") prepared by ABAG. Under the RHND, the City must accommodate 111 additional dwelling units at densities suitable for the development of housing for very low- and low-income households, and 108 additional dwelling units at densities suitable for moderate-income households.

The City has proposed a number of programs and incentives to ensure it can accommodate its RHND allocation and facilitate the construction of affordable housing for low- and moderate-income households and special needs groups. These are discussed in the policies and programs section of the Housing Element and include density bonuses, alternative parking standards, and the use of a planned development process.

As shown in Table 26, the City can accommodate up to 515 dwelling units on vacant residential land and commercial properties that permit residences, about 96% of its total RHND allocation of 539 dwelling units. The City could also approve up to 20-second units per year (more if the City Council waives the annual limit on second unit permits), or 100-second units in the five remaining years of the current RHND allocation period. In addition, approximately 161 single-family homes have been constructed or approved by permit since January 1, 1999. Other ways in which the City could accommodate additional housing include the construction of dwelling units over or behind existing ground-level commercial uses in the historic downtown area and approval of additional dwelling units in the Saratoga Retirement Community (Odd Fellows).

In combination with development potential on vacant land, the City can meet its total RHND allocation.

The City's current zoning policies and land use patterns will make it difficult to accommodate City's share of regional housing needs for very low- low-, and some moderate-income households under ABAG's Plan for several reasons:

- There is very little vacant land left in the City zoned for residential use, or that could be rezoned for residential use to accommodate higher densities needed for low- and moderate-income housing. Nearly two-thirds of vacant, non-hillside residential parcels are less than ½ acre, and almost half are less than ¼ acre.
- Maximum residential densities in the City's residential zones (excluding hillside zones) range from one dwelling unit per acre to 14.5 dwelling units per acre. Current zoning

would not permit the kinds of densities that could make the production of affordable housing feasible to low-income, and even some moderate-income households.

- Residential uses, although permitted in commercial zones, are limited to the same maximum densities as in multifamily zones and are subject to conditional use permit. The allowed density is determined on a case-by-case basis.
- Re-use potential in Saratoga is limited as there are few sites containing older, substandard land uses that could recycle to higher density residential uses.

The City's potential to accommodate housing affordable to low- and moderate-income households could be increased through higher densities of vacant sites along arterial roads (such as Saratoga Avenue and Saratoga-Sunnyvale Road), higher densities for housing in commercial zones, incentives to construct housing in commercial zones (including dwelling units over or behind ground-level commercial structures in the historic downtown district), and a negotiated inclusionary requirement on new housing construction at the Saratoga Retirement Community.

Residential uses are permitted in residential zones as shown in the table below. However, conversion of commercial uses in commercial zones to residential uses is permitted with the approval of a conditional use permit. The Zoning Ordinance does allow the construction of new residential units in all commercial zones with a Use Permit. Single family dwelling are permitted uses in residential zones and in Agriculture, Planned Community, Multiple Use Planned Development, and Commercial districts; however, multi-family dwellings are either permitted or conditional uses in Planned Community, Multi-Family Residential, Multiple Use Planned Development, and Commercial districts.

Single Family Residential

The majority of land in Saratoga is zoned R-1, which only allows one unit per lots of at least 10,000 square feet, or just over one-fifth of an acre. In addition there are setbacks, yard sizes and height restrictions that guide development on these parcels. These restrictions and the limitations cater to households with moderate incomes and above.

There are parcels in Saratoga that are underdeveloped and could be subdivided to achieve maximum density as allowed by the zoning provisions. However, a sewer permit is needed for each parcel that was formerly one parcel, causing additional fees and constraints to development. Upon recordation of a final subdivision or parcel map covering any site, no lots or parcels shown on the map may be further subdivided to increase the total density.

Hillside Residential and Residential Open Space Districts

As with most other hillside communities, Saratoga has specific guidelines and standards for hillside development to preserve the character of the hillside and protect residents and the environment. The Hillside Residential District (HR) and the Residential Open Space (R-OS) both strive to maintain the natural environment and existing rural character of hillsides while encouraging development on gently sloping sites that have natural screening features rather than on steep, visually exposed sites.

The development standards are very specific in this district. Low Density residential housing is allowed; however a site development plan must be prepared and approved by the advisory agency. Existing vegetation and land formations must be retained as much as possible and plans for erosion and sediment control must be in place, consistent with City ordinances. Grading shall be conducted along the natural contours as much as reasonably practical and shall be designed to avoid erosion, flooding, slides and other hazards.

transitional housing facility could fall under the Zoning Code definition of institutional, religious, charitable, or public facility. Because the City does not have a significant internal homeless problem, there has never been a request to operate a homeless shelter, supportive service facility, or transitional housing facility in the City. However, state law (Section 65583[c][1] of the California Government Code) requires that the Housing Element:

- identify adequate sites which will be made available through appropriate zoning and development standards and with services and facilities...needed to facilitate and encourage the development of a variety of types of housing for all income levels, including...emergency shelters and transitional housing in order to meet the community's housing goals.

Clarification in the Zoning Code of where such uses would be permitted, if requested, would help the City show compliance with this section of state law. Emergency shelters and transitional housing could be permitted as conditional uses under zoning provisions for institutional, religious, charitable, and public facilities land uses. The Planning Director would need to make a determination that emergency shelters and transitional housing are substantially similar in nature to the uses described above. Height Limit for Multifamily Development

The City's zoning standards permit one and two-story structures in buildings up to 26 feet. Three-story or higher structures are not compatible with the existing character of Saratoga, which is primarily a single-story community. Two stories are sufficient to achieve the maximum allowable density, with a density bonus, in the City's multifamily zone. Two stories would also be sufficient to allow 20 units per acre in the proposed mixed-use zone in consideration of parking, lot coverage, set-back, and yard requirements. The height limit does not impose a significant constraint to providing affordable housing in Saratoga because the cost of constructing three or more stories would off-set much, if not most, of the cost-saving from a higher density that three stories would allow. Affordable housing provided, or being provided, in the Saratoga Retirement Center is in one- and two-story structures.

Development Components	R-1	HR	P-C	R-M	R-OS	MU-PD	P-A	Agriculture	Commercial
				site for each dwelling unit					
Allowable Stories	two	two		Two	two	two	two	two	two
Units/Acre	1.09 to 2.9 units/acre	0.5 units/per acre	12.45 units/acre	14.5 units/acre	0 to 0.5 units/acre	Single Family – 10,000 ft ² /unit Multi Family 7,000 ft ² /unit Senior Housing 20 units/acre	10.89 units/acre	Refers to surrounding zoning	14.5 units/acre
Single Family Dwellings	Permitted Use	Permitted Use	Permitted Use	Permitted Use	Permitted Use	Permitted Use	Not Permitted	Permitted Use	C-N: multi-family only C-V: multi-family only CH: single and multi family above and behind retail with a CUP.
Second Residential Units	Conditional Use	Conditional Use	Not Permitted	Depends upon density	Not permitted	Not permitted	N/A	Conditional Use	Not permitted
Apartments/Multifamily Units	Not permitted	Not permitted	Permitted Use	Permitted Use	Not Permitted	Permitted Use	Conditional Use	Not Permitted	C-H District Permitted Use C-N and C-V

Development Components	R-1	HR	P-C	R-M	R-0S	MU-PD	P-A	Agriculture	Commercial
									Conditional Use
Guest Houses	Permitted Use	Permitted Use	Not Permitted	Not Permitted	Not Permitted	Not feasible	N/A	Permitted	Permitted with approved residential
Institutional Facilities	Conditional Use	Conditional Use	Conditional Use	Conditional Use	Not permitted	Some	Requires a CUP	Conditional Use	Permitted
Nursing Homes/Day Care	Conditional Use	Conditional Use	Conditional Use	Conditional Use	Not Permitted	Permitted Use	Requires CUP	Conditional Use	Permitted
Clustering Lots	Permitted	Permitted	N/A	N/A	Permitted	N/A	N/A	N/A	N/A

Saratoga General Plan

Parking

The City's requires one covered space per dwelling unit (second units and multifamily units) plus one and one-half uncovered spaces per unit in multifamily zones. These requirements could increase development costs and affect the potential density and financial feasibility of a second unit or multifamily development. The City will adopt a program to address parking and the potential cost impact by allowing uncovered parking for second units and shared or tandem parking for housing in mixed use zones.

Lot Coverage for Multifamily

The City limits the maximum lot coverage for multifamily developments in the R-M zone to 40 percent of the lot area. The maximum lot coverage is not a constraint to achieving the permitted net density, with a density bonus, of 18 dwelling units per acre in a two-story structure in consideration of yard, set-back, parking, and other development standards. The City recognizes that lot coverage could be an issue for some mixed-use projects. Lot coverage for mixed-use project will be 70 percent, as allowed in the underlying commercial zone (*note: the CH-1 zone allows for higher lot coverage*). Additional coverage of ten percent will be permitted if the residential portion of the mixed-use project includes below-market rate units (see Program 1.2). Based on the applicable lot coverage standards of 60 percent or 70 percent, the City does not believe that lot coverage will be constraint.

Housing for Persons with Disabilities

As noted in the Special Needs section of the Housing Element, persons with disabilities have a number a housing needs related to accessibility of dwelling units; access to transportation; employment, and commercial services; and alternative living arrangements that include on-site or nearby supportive living services.

The City ensures that new housing developments comply with California building standards (Title 24 of the California Code of Regulations) and federal Americans with Disabilities Act (ADA) requirements for accessibility. The City also permits educational, residential, health care, and other supportive services (defined as "institutional uses" in the Zoning Ordinance) of the type that could benefit persons with disabilities in residential zones. Sites zoned for multifamily use, and commercial zones to which the proposed mixed-use overlay will apply (see Program 1.2) are located along arterial streets and transportation corridors to facilitate access and accessibility for persons with disabilities.

Housing for seniors that is being constructed in the Saratoga Retirement Center provides many of the features that meet the needs of persons with disabilities. The City's proposed development standards for the mixed-use zone will also allow a wide variety of housing unit types that could meet the needs of, and provide accessibility to services and transportation to, individuals with disabilities.

In light of current and proposed planning policies and zoning regulations, the City believes that it has mitigated any potential constraints to the availability of housing for persons with disabilities.

Procedures for Ensuring Reasonable Accommodations

The City of Saratoga has established procedures to ensure that reasonable accommodations are made for persons with disabilities. Individuals with disabilities can telephone the City, send an e-mail, write a letter, stop by City offices, or appear at a Planning Commission or City Council meeting to request special accommodation or variance from the requirements of City zoning or building codes due to a disability. A recent example is a homeowner who indicated a severe allergy to the chemical with which roof shakes are treated. The City allowed the homeowner to use roof shakes that had not been treated with this chemical.

Efforts to Remove Regulatory Constraints for Persons with Disabilities

The State of California has removed any City discretion for review of small group home projects (six or fewer residents). The City does not impose additional zoning, building code, or permitting procedures other than those allowed by state law. The City has assisted the operation of one group home in Saratoga through financial assistance to defray operational costs. There are no City-initiated constraints on housing for persons with disabilities caused or controlled by the City.

The City also allows residential retrofitting to increase the suitability of homes for persons with disabilities in compliance with ADA requirements. Such retrofitting is permitted under Chapter 11 of the 1998 version of the California Code. The City works with applicants who need special accommodations in their homes to ensure that application of building code requirements does not create a constraint. The City's Zoning Ordinance has been reviewed for Chapter 11 compliance and was found to be compliant.

Information Regarding Accommodation for Zoning, Permit Processing, and Building Codes

The City implements and enforces Chapter 11 of the 1998 California Code, which is very similar to ADA. The City provides information to applicants or those inquiring of City regulations regarding accommodations in zoning, permit processes, and application of building codes for persons with disabilities.

Zoning and Other Land Use Regulations

As part of the update of the City Housing Element in 2001 and 2002, Saratoga conducted a comprehensive review of its zoning laws, policies and practices for compliance with fair housing law. The City has not identified zoning or other land use regulatory practices that could discriminate against persons with disabilities and impede the availability of such housing for these individuals. Examples of the ways in which the City facilitates housing for persons with disabilities through its regulatory and permitting processes are:

- The City allows variation from the application of its parking standards. Section 15-55.030, titled "Variation from Standards," found in the Zoning Ordinance can be used to reduce parking requirements along several other standard requirements.

June 11, 2002

Tom Sullivan
Director of Community Development
City of Saratoga
13777 Fruitvale Avenue
Saratoga, CA 95070

Dear Mr. Sullivan:

As you know, the Villa building is now open at Saratoga Retirement Community. There are 110 apartments in this new facility that will provided residential and assisted living services to residents of Saratoga as well as to members of the Independent Order of Odd Fellows (IOOF). The IOOF has committed to providing low-income housing to members of the Order through the development of this facility. There are 49 units that have been set a side for these members. The average income of the Order members living at the facility is \$18,000 annually. The Grand Lodge of the IOOF has established an \$11 million dollar endowment fund to provide subsidy for their low-income members.

The IOOF is a 501 (c) 3 organization that owns the Saratoga Retirement Community. RSLLC, a subsidiary of Pacific Retirement Services, is the management agent for the IOOF. The IOOF has been providing low income housing for members of the Order in California since 1911 and are committed to continuing this tradition into the future.

We appreciate the City of Saratoga's support in bringing this much need housing to Saratoga.

Sincerely,

Brian McLemore
Executive Vice President

APPENDIX B: SITES WITH MIXED USE POTENTIAL

The following table lists sites that have been identified as having potential for mixed use development. The table includes the site name, address, and a brief description of the site's current and potential uses.

The first column of the table lists the site name, which is typically the name of the property owner or the name of the site. The second column lists the address of the site. The third column provides a brief description of the site's current and potential uses.

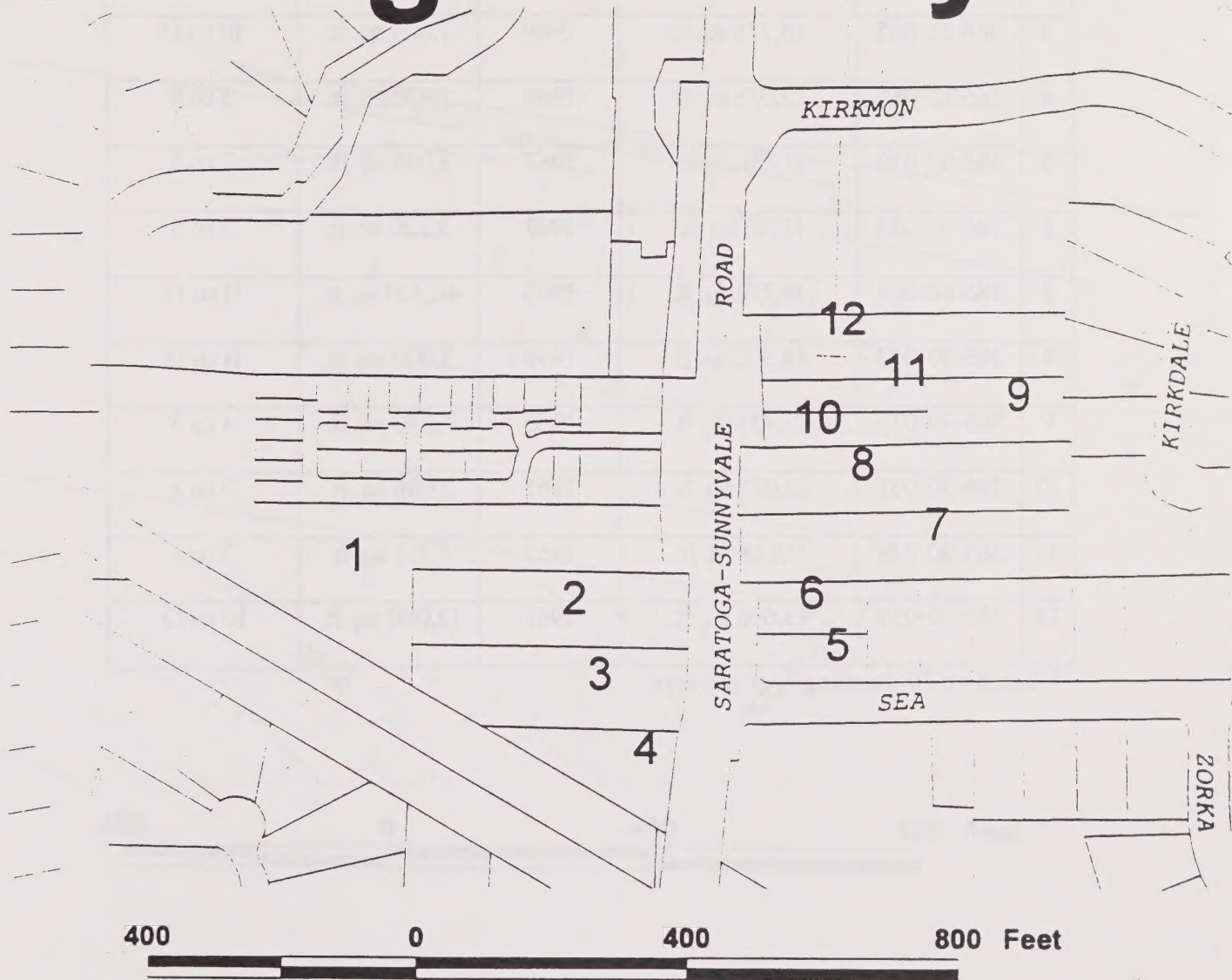
The table is organized into three main sections. The first section lists sites that are currently zoned for residential use but have potential for mixed use development. The second section lists sites that are currently zoned for commercial use but have potential for mixed use development. The third section lists sites that are currently zoned for industrial use but have potential for mixed use development.

The table is intended to provide a comprehensive overview of the sites in the City of Saratoga that have potential for mixed use development. It is not intended to be a definitive list, as there may be other sites that have potential for mixed use development that are not included in the table.

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Gateway Area Saratoga-Sunnyvale

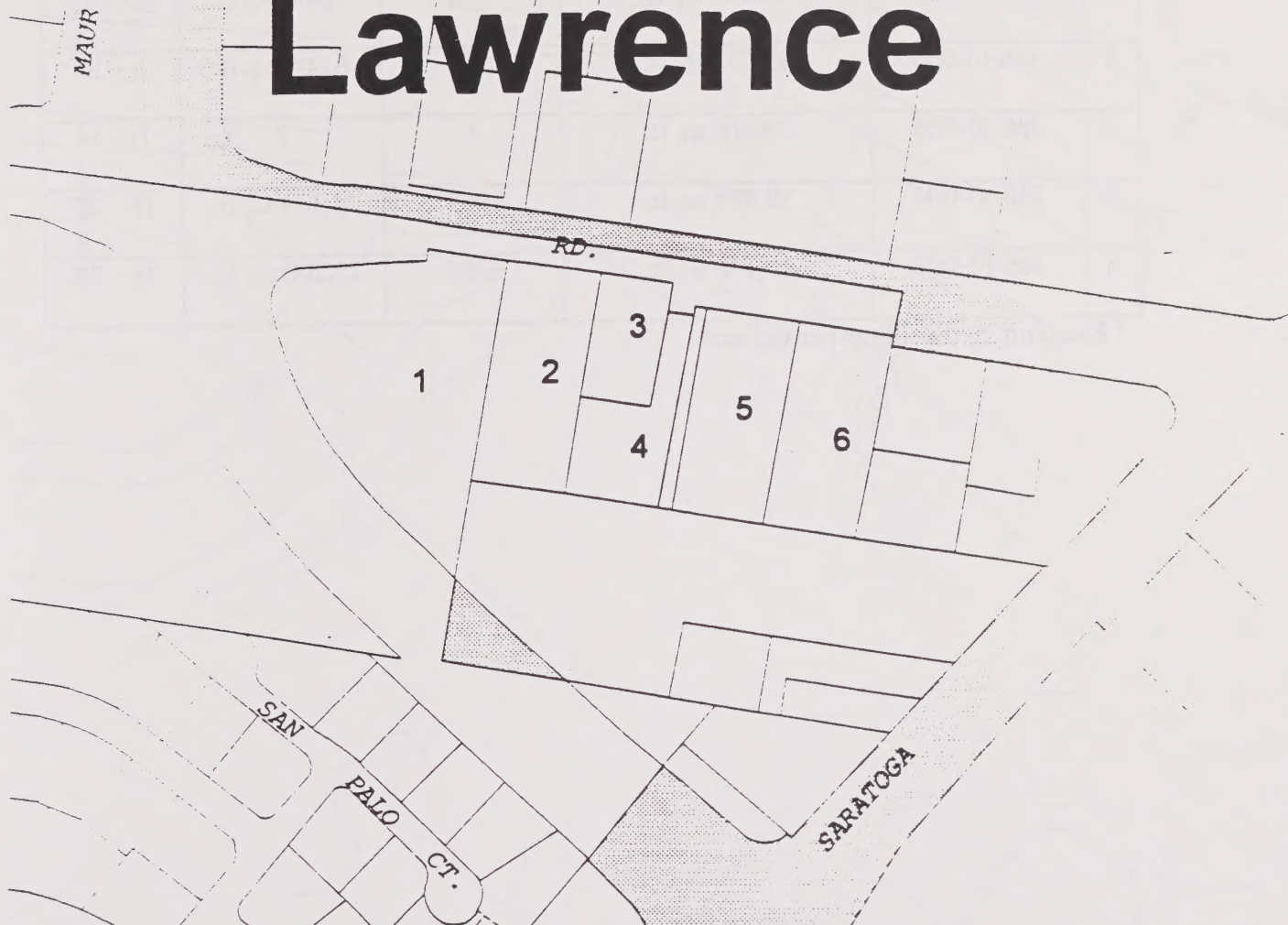


GATEWAY AREA SARATOGA-SUNNYVALE

#	APN	AREA	YR BLT	BLDG SIZE	# of UNITS*
1	366-12-072	132,849 sq. ft.	1968	12,900 sq. ft.	30 to 38
2	366-12-054	46,345 sq. ft.	1971	12,330 sq. ft.	10 to 13
3	366-12-065	46,275 sq. ft.	1969	7,603 sq. ft.	10 to 13
4	366-12-066	22,073 sq. ft.	1969	5,870 sq. ft.	5 to 6
5	386-52-032	11,761 sq. ft.	1967	3,036 sq. ft.	2 to 3
6	386-52-033	11,761 sq. ft.	1967	3,220 sq. ft.	2 to 3
7	386-60-001	48,779 sq. ft.	1985	40,330 sq. ft.	11 to 13
8	386-30-035	49,305 sq. ft.	1949	3,000 sq. ft.	11 to 13
9	386-30-036	19,453 sq. ft.	1966	7,040 sq. ft.	4 to 5
10	386-30-037	12,075 sq. ft.	1961	2,096 sq. ft.	2 to 3
11	386-30-038	11,824 sq. ft.	1965	4,512 sq. ft.	2 to 3
12	386-30-039	43,696 sq. ft.	1961	12,000 sq. ft.	10 to 12

* Based on 20 dwellings per net acre.

Prospect at Lawrence



400 0 400 800 Feet



PROSPECT AT LAWRENCE

#	APN	AREA	YR BLT	BLDG SIZE	# of UNITS*
1	386-10-043	98,429 sq. ft.	1978	20,500 sq. ft.	45 - 56
2	386-10-004	43,603 sq. ft.	1951	4,800 sq. ft.	20 - 25
3	386-10-055	18,720 sq. ft.	1971	6,000 sq. ft.	8 - 10
4	386-10-056	24,814 sq. ft.	?	?	11 - 14
5	386-10-006	39,694 sq. ft.	1969	12,384 sq. ft.	18 - 22
6	386-10-007	40,460 sq. ft.	1966	15,200 sq. ft.	18 - 23

* Based on 20 dwellings per net acre.

Saratoga Avenue



SARATOGA AVENUE

#	APN	AREA	YR BLT	BLDG SIZE	# of UNITS*
1	389-06-017	391,651 sq. ft.	Vacant	n/a	90 to 110

* Based on 20 dwellings per net acre.

Cox Avenue



500 0 500 1000 Feet

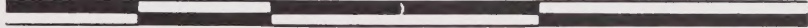


COX AVENUE

#	APN	AREA	YR BLT	BLDG SIZE	# OF UNITS*
1	386-14-026	56,925 sq. ft.	1980	22,112 sq. ft.	13 to 16
2	386-14-012	61,693 sq. ft.	1979	13,192 sq. ft.	14 to 17

*Based on 20 dwellings per net acre

This is a detailed street map of a residential neighborhood in San Francisco, California. The map shows a grid of streets with various names including Canton, View, Belmont, and others. A large area in the center is labeled '1 2 3' and '4', indicating specific blocks or lots. The map is oriented with North at the top.



Village plus Neal's Hollow

#	APN	AREA	YR. BLT.	BLDG SIZE	# of UNITS*
1	503-25-029	53,270 sq. ft.	1920	816 sq. ft.	12 to 15
2	503-25-016	31,809 sq. ft.	1900	864 sq. ft.	7 to 9
3	503-25-015	32,170 sq. ft.	1941	2,136 sq. ft.	7 to 9
4	517-09-015	41,946 sq. ft.	1954	10,480 sq. ft.	9 to 12
5	397-27-028	14,319 sq. ft.	1966	4,274 sq. ft.	3 to 4

* Based on 20 dwellings per net acre

APPENDIX A: SARATOGA RETIREMENT COMMUNITY

June 11, 2002

Tom Sullivan
Director of Community Development
City of Saratoga
13777 Fruitvale Avenue
Saratoga, CA 95070

Dear Mr. Sullivan:

As you know, the Villa building is now open at Saratoga Retirement Community. There are 110 apartments in this new facility that will provide residential and assisted living services to residents of Saratoga as well as to members of the Independent Order of Odd Fellows (IOOF). The IOOF has committed to providing low-income housing to members of the Order through the development of this facility. There are 49 units that have been set aside for these members. The average income of the Order members living at the facility is \$18,000 annually. The Grand Lodge of the IOOF has established an \$11 million dollar endowment fund to provide subsidy for their low-income members.

The IOOF is a 501 (c) 3 organization that owns the Saratoga Retirement Community. RSLLC, a subsidiary of Pacific Retirement Services, is the management agent for the IOOF. The IOOF has been providing low income housing for members of the Order in California since 1911 and are committed to continuing this tradition into the future.

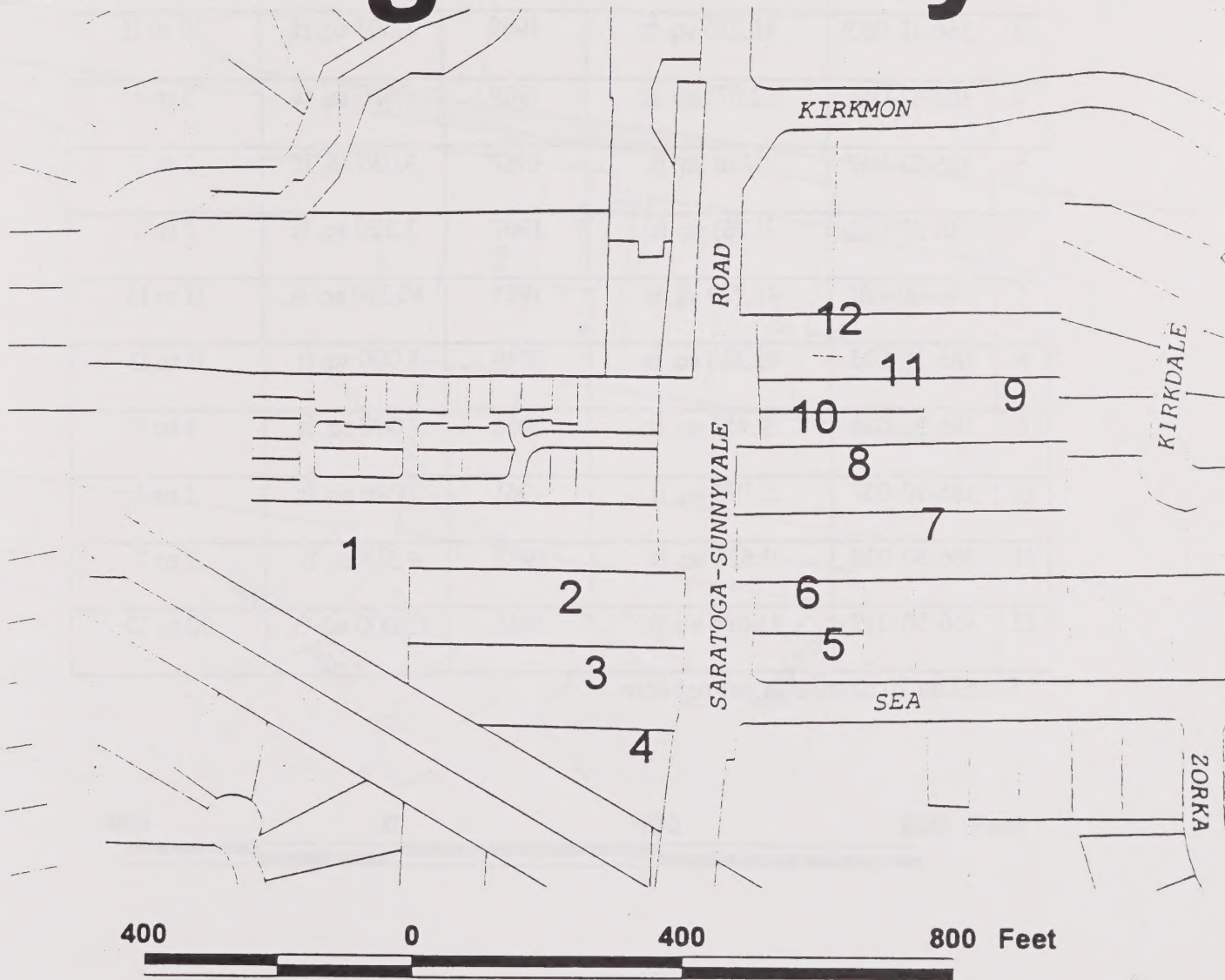
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Sincerely,

Brian McLemore
Executive Vice President

APPENDIX B: SITES WITH MIXED USE POTENTIAL

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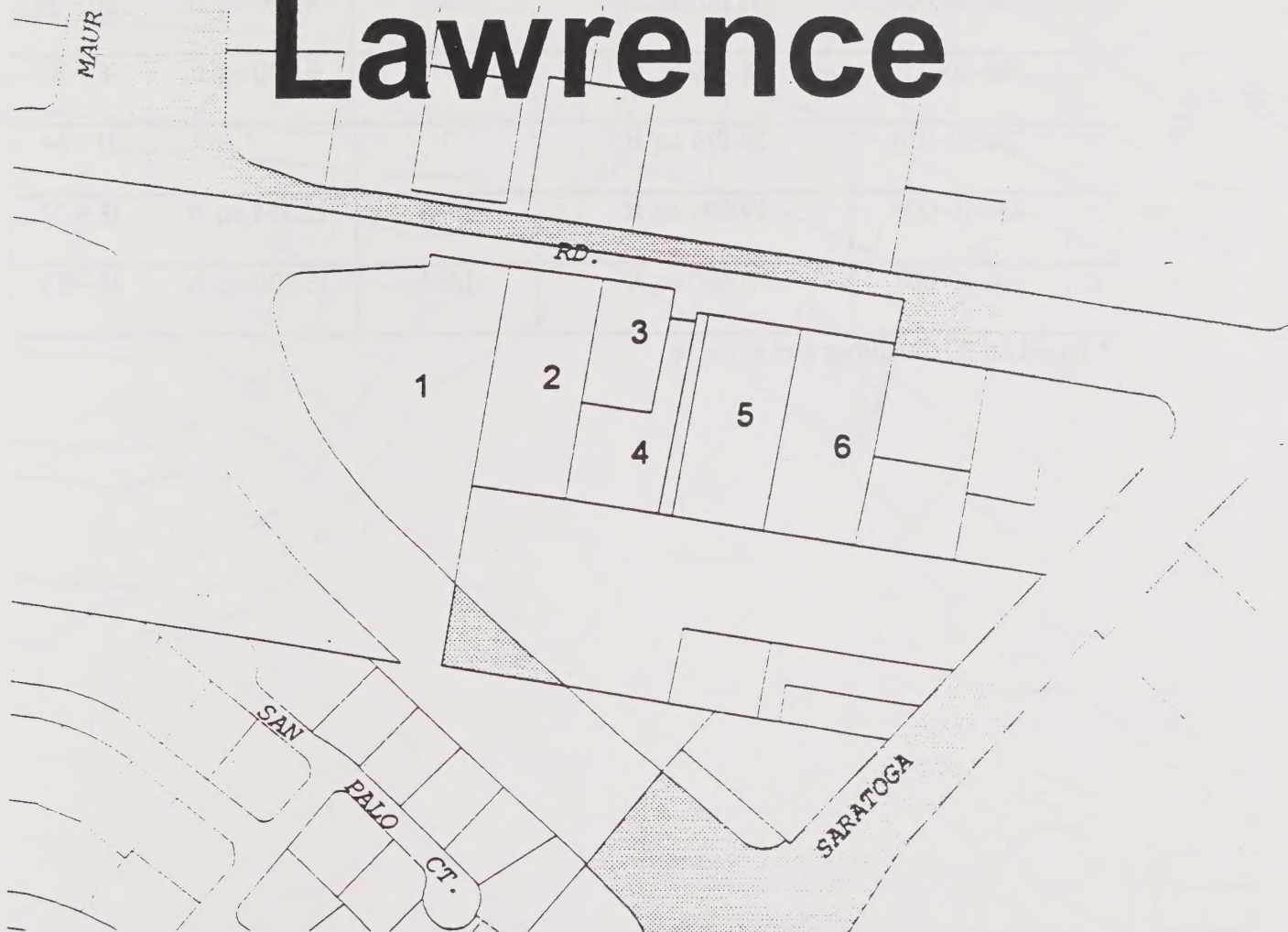


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* Based on 20 dwellings per net acre

RESOLUTION NO. GPA – 01-001

RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF SARATOGA RECOMMENDING THE CITY COUNCIL GRANT A NEGATIVE DECLARATION AND ADOPT THE REVISED AND UPDATED HOUSING ELEMENT

- I. WHEREAS, the City of Saratoga initiated consideration of a General Plan Amendment to adopt the Housing Element Update (referred to hereinafter as the "Project") in 2001.
- II. WHEREAS, an Initial Study and proposed Negative Declaration ("IS/ND") was prepared for the Project by the City of Saratoga, pursuant to the requirements of the California Environmental Quality Act (CEQA, Public Resources Code sections 21000-21177), CEQA Guidelines, and City CEQA requirements.
- III. WHEREAS, the IS/ND was circulated for public review.
- IV. WHEREAS, the IS/ND indicates that no significant adverse environmental impacts will result from the Project.
- V. WHEREAS, on August 22, 2001 the Planning Commission at a duly noticed Public meeting considered the adequacy of the IS/ND including all oral and written comments and the staff recommendation for approval of the IS/ND. The Planning Commission reviewed and considered the information in the IS/ND, administrative record, and Staff Reports for completeness and compliance with CEQA, the CEQA Guidelines, and City CEQA requirements.
- VI. THEREFORE, BE IT RESOLVED that the Planning Commission hereby makes the following recommendation:

That the City Council grants Negative Declaration of Environmental Impact and adopts the revised Housing Element

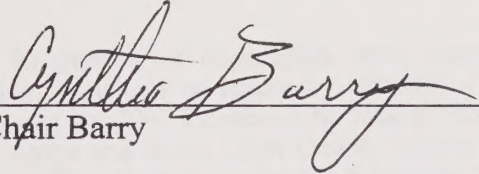
PASSED AND ADOPTED by the Planning Commission of the City of Saratoga, State of California, this 22nd day of August, by the following vote:

AYES: Hunter, Jackman, Roupe, Zutshi, and Chair Barry

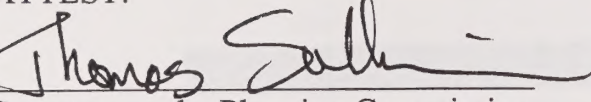
NOES: None

ABSENT: Garakani and Kurasch

ABSTAIN: None


Chair Barry

ATTEST:


Secretary to the Planning Commission

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54 EAST 57TH STREET, NEW YORK, N.Y. 10022

Table 11

Type of Vacant Units in Saratoga (2000)

Unit	Number of Units in City	Number of Units in County	Percent of City Vacant Units	Percent of County Vacant Units
For Rent	13	2,382	8%	22%
For Sale Only	151	8,577	91%	78%

Source: 2000 Census.

According to the 2000 Census, 90 percent of households were homeowners in Saratoga, compared to 60 percent countywide. Analysis of tenure by ethnicity (Table 12), which was available from the 1990 Census but not the 2000 Census at the time of Housing Element update, reveals that homeownership in Saratoga and Santa Clara County among White households far exceeds that of minority households. This disparity is largely a function of income, as minority households include a higher percentage of lower-income individuals.

Table 12

Tenure by Race and Hispanic Origin (1990)

Race	Saratoga	Percent	Santa Clara County	Percent
Owner Occupied Units				
White	7,759	88%	225,224	78%
Black	14	0.2%	5,926	2%
Native American	6	0.1%	1,057	<1%
Asian/Pacific Islander	1,038	11%	41,184	14%
Others	31	0.3%	19,834	4%
Hispanic Origin	171	2%	13,148	5%
Renter Occupied Units				
White	928	89%	131,173	69%
Black	15	1%	11,657	6%
Native American	0	0%	1,254	<1%
Asian/Pacific Islander	98	9%	26,812	14%
Others	0	0%	222	<1%
Hispanic Origin	21	2%	19,612	10%

Source: 1990 Census.

Ownership rates shown in Table 13 reveal that there were more owners in each ethnic group than renters. However, slightly higher or equal percentages of Blacks rented than owned, suggesting that they may have difficulty becoming homeowners due to their relatively lower incomes. Native Americans had the highest rate of homeownership (but there were very few of these households in the City in 1990), followed by Asian/Pacific Islanders and Whites.

Table 13

Homeownership Rates

Race	Owners	Renters	Ownership Rate	Rental Rate
White	7,759	928	89%	11%
Black	14	15	48%	52%
Native American	6	0	100%	0%
Asian/Pacific Islander	1,038	98	91%	9%
Other	31	0	0%	100%
Hispanic Origin	171	21	89%	11%

Source: 1990 Census.

Analysis of 1990 Census data on tenure by age of householder in Saratoga reveals adults aged 45 and over tended to own their housing units rather than rent, while younger adults mostly rented rather than owned their homes. With the exception of householders under age 35, between 80% and 90% of residents of Saratoga own their own homes. Even among younger households, over two-thirds own their own homes. Of all occupied housing in 1990, 94 percent were owned by persons 35 years and older: persons ages 45-54 owned 2,695 units or 30 percent, 2,054 units (23 percent) were owned by persons ages 55 to 64, followed by 1,906 units (21 percent) owned by persons age 35-44, and 1,221 (13 percent) owned by persons ages 65-74 (Table 14). Adults aged 75 and older and younger adults ages 25-34 owned seven and six percent of the units respectively. Not surprisingly, less than one percent of the adults under age 24 own homes in Saratoga.

Table 14

Tenure by Age of Householder (1990)

Age	City	Percent	County	Percent
Owner Occupied Units				
15 to 24	16	<1%	2,362	1%
25 to 34	502	6%	49,309	16%
35 to 44	1,906	21%	76,171	25%
45 to 54	2,695	30%	68,348	22%
55 to 64	2,054	23%	52,383	17%
65 to 74	1,221	13%	37,007	12%
75 and over	594	7%	21,744	7%
Total	8988	100%	307,324	100%
Renter Occupied Units				
15 to 24	27	3%	21,291	10%
25 to 34	205	19%	82,729	39%
35 to 44	359	34%	51,615	24%
45 to 54	163	16%	23,776	11%
55 to 64	57	5%	13,288	6%
65 to 74	69	6%	10,336	5%
75 and over	182	17%	9,821	5%
Total	1,062	100%	212,856	100%

Source: 1990 Census

Housing Costs

Rental Rates

The 1990 census data shows rents were higher in the City of Saratoga than in Santa Clara County. The median rental costs in Saratoga was over \$1,000 in 1990 compared to \$773 in Santa Clara County. This might be caused by the fact that Santa Clara County has a diverse housing stock with more multi-family units than the City of Saratoga has. Saratoga's rental stock consists of 50 percent condominium rentals, 39 percent single-family rental, 9 percent multi-family, non-condominium rentals and 3 percent other rentals (including second units). Larger houses and higher housing costs were consistent with a population of substantially more upper-income residents in the City.

Housing costs from 1998 to present indicate a dramatic change in the cost of housing and the availability of housing units. Currently, rental costs in Saratoga are similar to those throughout Santa Clara County and the entire San Francisco Bay area. A recent California Budget Project

Report (May 2000) confirms that rental rates far exceed the Fair Market Rent for a two-bedroom apartment in 1999. The Fair Market Rent is a rent level established by the federal government for participation in various rental subsidy programs, but does not necessarily indicate the average market rents being charged in an area. Rents in Santa Clara County exceed the Fair Market Rent for both one-bedroom and two-bedroom apartments (Department of Finance 2000). Rental costs have increased far more than incomes throughout the county (San Jose Mercury News September 2000).

Rental stock available in Saratoga is extremely limited at any monthly rental rate. Table 15 shows the rental units listed locally for rent. Listing varies from month to month however the vacancy rate in March 2001 was less than one percent. Out of 25 listings 12 were single-family homes, 8 were condominiums, and 5 were apartments.

Very few units are available at rates affordable to very low-income individuals or families. Rents currently average over \$1,500 to \$2,850 for a one-bedroom apartment in the Saratoga/Santa Clara Valley and over \$2,000 for a two-bedroom apartment. A sample of housing within Saratoga revealed that the average two-bedroom home was above \$2,000 per month. Rent for a three-bedroom home was \$4,995 per month, while rents for four-bedroom homes were between \$3,000 and \$5,500 per month.

Table 15

Rental Rates in Saratoga (2000)

Type	Studio	1 Bed	2 Bed	3 Bed	4-Bed
Apartment	\$850	\$1,500-\$2,850	\$2,000-\$2,700	\$2,745	
Home		\$1,850	\$2,000-\$3,900	\$4,995	\$3,000-\$5,500
Condominium			\$1,850-\$2,700	\$2,600	

Source: Bay Area.Com and Apartments.Com, March 2001

Home Prices

Recent trends in home prices in Saratoga and in Santa Clara County show a dramatic increase in median home prices in the area. Sales of existing homes in California in August posted a 4.7 percent increase and the median home price rose 14 percent (California Association of Realtors September 25, 2000). A notable highlight in the sales figures for California is that Saratoga was listed as one of the top ten cities and communities with the highest median home prices in California during July 2000. Saratoga's median home price for the month was \$1,328,000. Saratoga also made the list of top ten cities and communities with the greatest increase in median home price for July 2000 compared to the same period last year. The California Association of Realtors lists the median housing prices for the County as of August 2000 as \$445,000. The median price increased in the County over the past year by almost 29 percent. Compared with California and the rest of the country, fewer households in Santa Clara County – 29 percent in 1998 – can afford to purchase the median-priced home. Housing affordability was actually lower in 1990 (as measured by the percentage of households that can afford the median-priced home), increased during the economic downturn of the early 1990s, but declined again in recent years.

A review of approximately 380 homes sold in Saratoga during 1998 and 1999 (Dataquick 2000) clearly showed the rapid increase in home prices during the past few years. The most expensive home sold in Saratoga during 1999 was \$4.7 million, and even the least costly home was over \$500,000. Table 16 lists prices of homes for sale as of March 14, 2001. The listing comes from Coldwell Banker and Alain Pinel Realtors and Bay Area.Com. The highest percentage of homes

Lower Income Households Overpaying

An important indicator of housing need is the relationship of household income to housing costs. Households should pay no more than 30 percent of their gross incomes for housing costs. This figure is higher for other households because the cost of other necessary goods becomes a smaller percentage of the total income. The California Statewide Housing Plan (CSHP) is a publication undertaken to facilitate efforts addressing this State housing goal. This update and the prior one provide perspective on the State's housing needs for subsequent policy development. It takes a county-by-county look at California's projected housing needs through the year 2020, the constraints to meeting those needs, and the possible consequences of not meeting them. The document is comprised of two volumes. Volume One is the main report, divided into seven chapters. Volume Two is the Appendix containing several appendices.

According to the 1990 Census, 345 (60 percent) of all renter households in Saratoga with incomes less than \$35,000 per year paid more than 30 percent of their incomes for housing. Comparatively, 487 (61 percent) of owner-occupied households with incomes less than \$35,000 per year paid in excess of 30 percent of their incomes.

Table 18

Number of Households Paying Over 30 Percent of Income on Housing

Income	Owners	Renters	Total
Very Low-Income	281	238	519
Lower-Income	206	107	313
Total	487	345	832

Source: 1990 Census Bureau Data.

Note: 1990 Census data uses income ranges that do not correspond exactly to the income categories. Therefore, there are people in the lower-income category that actually fall into the moderate-income category and likewise between the very low- and lower-income categories. The numbers in the table include more persons than are actually in those categories.

Further analysis of housing expenditures as a percent of income show that most home owners pay less than 25 percent of their income on housing (Table 19). Renters with income below \$34,999 tend to pay a higher percentage of their income on housing. The majority of people earning \$50,000 or more paid less than 25 percent of their income on housing regardless of whether they rented or owned.

Table 19**Saratoga Housing Expenditure Rate per Income Group**

Income	< \$10,000	\$10,000- \$19,999	\$20,000- \$34,999	\$35,000- \$49,999	\$50,000+	Total Households
Renters						
Under 30%	39%	33%	32%	35%	80%	601
30% +	15%	19%	15%	13%	10%	127
35% +	46%	48%	52%	52%	0%	264
Total Households	158	79	131	164	460	992
Owners						
Under 30%	8%	51%	77%	70%	72%	5,840
30% +	42%	0%	2%	6%	7%	594
35% +	50%	49%	21%	24%	21%	1,821
Total Households	92	175	495	676	6,817	8,255

Source: 1990 Census Bureau Data

Affordability Trends***Rental Housing***

According to 1990 Census data, the median gross rent was over \$1,000 in the City and \$773 in Santa Clara County. In 1990, people with very low- incomes had some affordable housing options with about 22 percent of the rental units in the City having rents below 30 percent of their income. People with low incomes had more options than those with very low incomes, as approximately 44 percent of all rental units were affordable to households in this category. There were about 12 percent more rental units available to moderate and above moderate-income households in 1990. Although 22 percent of the rental units were affordable to very low-income households, availability still suggests a need for housing assistance among the poorest of the community.

Table 20 provides an estimate of the number of affordable rental units at each income level. The percentage of apartments affordable within the low- and moderate-income groups is cumulative and includes the percentage from the previous income group. Also, households of many income levels will often compete for housing in the same price range, so the existence of lower-cost units does not mean that such units are actually available to lower-income households.

Table 20**Affordability of Rental Housing in Relation to Income 1990**

Income Group	Affordable Rent Limit	% Of Saratoga Rentals	% Of County Rentals
Very Low	\$601	Approximately 21%	22%
Low	\$962	Approximately 42%	47%%
Moderate	\$1,443	Approximately 100%	Approximately 100%

Source: 1990 U.S. Bureau of Census

Current rental rates in 2000 indicate a dramatic shift in the rental units affordable to very low, low, and moderate-income households. Households within these income categories have a difficult time locating appropriate rental units because the less than one percent vacancy rate and the strong market pressure have inflated rents beyond affordability. For example, a person with an income of \$37,200 (a low-income level for a single individual) could spend up to \$808 (fair market rate for a one-bedroom apartment) a month on an apartment, which is approximately 26 percent of the individual's income. Rents currently average over \$1,500 for a one-bedroom apartment in the Santa Clara Valley (not only Saratoga) and over \$2,000 for a two-bedroom apartment. A sample of apartment complexes in the County revealed that the average one-bedroom unit was above \$1,200 per month. Existing rental availability and rental costs suggest a strong need for housing assistance for very low, low, and moderate income households within the community.

For Sale Housing

A household can typically qualify to purchase a home that is 2.5 to 3.0 times its annual income, depending on the down payment, the level of other long-term obligations (such as a car loan), and interest rates. In practice, the interaction of these factors allows some households to qualify for homes priced at more than three times their annual income, while other households may be limited to purchasing homes no more than two times their annual incomes. Based on the homes sold in the last year and affordability rates at 3.0 times the annual income of a four-person household, Table 21 shows that there were no homes affordable to four-person households in the very low-- low- or moderate-income categories. It is important to note that subsidized housing is not included in this housing affordability analysis.

Table 21**Sold Units Affordable to Lower-Income Households (1999)**

Income Group	Affordability Level	Homes Sold in 1998-99	Percent of All Houses Sold
Very Low-Income	\$130,500	0	0%
Low-Income	\$208,800	0	0%
Moderate-Income	\$313,200	0	0%

Source: Coldwell Banker and Alain Pinel Realtors Home Prices 2000

Housing Rehabilitation and Replacement Needs

A majority of homes in the City of Saratoga were constructed between 1950 and 1979 as shown in Table 22 below. However, there are few homes in Saratoga in substandard condition. The recent surge in housing costs in the City has resulted in an increase in home improvement. Because home prices are so high, even for homes that require considerable repair and rehabilitation, only above moderate income households can afford to purchase them. These homes are rehabilitated quickly after purchase thereby resulting in a reduction in the number of homes in substandard condition. A more recent trend is the compete "mansionization" of smaller, older homes in the City. Above moderate-income household can purchase these smaller homes and still afford to completely rebuild homes to further increase their values. The housing market supports such activities.

Based on the small, and declining number of dwelling unit in need of rehabilitation, the City estimates that less than one percent of the housing stock in Saratoga is in need of repair, and that there are nor dwelling units deteriorated to the point of needing replacement.

The City has used federal funds to implement the Saratoga Housing Assistance and Rehabilitation Program (SHARP). The program consists primarily of a home improvement loan subsidy program for low and moderate-income homeowners to repair and bring their homes up to code standards. The purpose is to rehabilitate deteriorating housing units and maintain a housing stock for low to moderate-income households (See City Housing Programs).

In 1996, the Safety Grant Program was established to aid the rehabilitation of aging homes. Made possible by the Federal Community Development Block Grant, this program grants up to \$10,000 to qualified residents who need to make repairs to their homes but do not want to take out a loan through the Saratoga Housing Assistance and Rehabilitation Program. Funds are granted to correct health and safety problems within homes, such as, by covering exposed wires, installing stair and porch railings and improving disabled access to homes.

Table 22**Age of Saratoga's Housing Stock**

Year Structure Built	Total	Total Occupied	Renter Occupied
1991-1999	676	N/A	N/A
1980-1990	977	702	206
1970-1979	2,311	1,969	295
1960-1969	3,256	3,004	185
1950-1959	2,939	2,632	252
1940-1949	489	378	95
1939 or earlier	343	303	29
Total	10,315	8,988	1,069

Source: 1990 Census, and California Department of Finance, 1990-1999 City/County Population and Housing Estimates.

According to the 1990 Census, all of the housing units in Saratoga are equipped with water and sewage disposal and heating systems. However seven housing units lacked complete plumbing facilities, and nine housing units lacked complete kitchen facilities. Tenants between 15 and 65 years of age occupied the units lacking complete plumbing.

SPECIAL NEEDS

Special housing needs arise due to physical, economic, social, or cultural characteristics or conditions that are present in a substantial percentage of the local population. These characteristics or conditions distinguish individuals from the general population and lead to housing or supportive services need that are not (or cannot) be met by the private market acting alone. Examples of special housing needs include accessibility for the mobility impaired, transitional housing for those leaving a homeless environment, and housing specifically designed for the physical and social needs of older adults.

Characteristics such as age or physical limitations may be present in a large portion of the population. It is important for the community to accommodate a variety of housing types to serve such special needs groups. For example, handicapped accessible housing or units that are designed to aid the physical limitations of the elderly may be needed in a community with a large populations of this age group. Conversely, a community may have a large population of large, low-income families that need adequately sized housing at a low cost or a large number of students attending a nearby college or university. Affordability issues are also important to groups such as female-headed households, farm workers, or military personnel. Therefore, the City needs to evaluate the types of special needs groups in order to address the special housing needs. In Saratoga, the number of residents with special needs related to income status is lower than in most communities because the community's housing stock is uniformly expensive and consists primarily of single-family homes. There are several important special needs evaluated below, however.

Elderly

As is the case in many well-established suburbs, the numbers and percentages of the elderly population remain a significant part of the local population. Table 23 lists the population figures by age of those residents over the age of 55 and over the age of 65 during a ten-year period. It also shows that the percentage of elderly in the overall population increased. According to the 2000 Census, 16 percent of the total population was above the age of 65, an increase of over 30 percent. The percent of the population in the 55-64 age group actually declined since 1990—most in this age group moved into the 65 year and over category.

Table 23

Pattern of Aging of the Saratoga Population

	1990	2000	Percent Change
Total Population	28,061	29,843	6%
Population 55 -64	3,846 (14%)	3,695 (12%)	-4%
Population 65+	3,721 (13%)	4,859 (16%)	31%

Source: 1980-1990 U.S. Censuses.

In 1990, the incidence of poverty was higher among the population over 65 years of age (three percent) than it was for the population between the ages of 18 and 64 (one percent). The poverty rate among seniors was still well below the countywide and statewide rates, however. One hundred and ninety-six persons over the age of 65 received public assistance that year. In 1990, 168 homeowners age 65 and older paid 30 percent of their incomes or more on housing. This represented 10 percent of all elderly homeowners. Approximately 50 percent (122 renters) of elderly renters paid 30 percent or more of their income on housing. Thus, while elderly renters as a group had a higher incidence of overpayment, more senior homeowners than renters overpaid for housing in 1990 due to the much higher number of owner-occupied homes.

Tenure is important when analyzing the needs of seniors. The percentage of seniors living in owner-occupied housing was 88 percent according to the 1990 Census, compared to 89 percent of the population at large. Because of the small senior population and the many senior citizens living on fixed-incomes some are likely to face difficulty with the costs of major home repairs. In combination with mobility limitations or the need for supportive services (such as medical or meal assistance), it can become very challenging for the elderly to adequately meet their housing needs. A more senior population living in an aged housing stock leads to a need for rehabilitation programs for existing units, as well as the creation of affordable senior housing units.

One common special need for a portion of the elderly is for assisted living facilities that combine meal, medical, and daily living assistance in a residential environment. There are three State Department of Social Services licensed elderly care facilities and two that are in the process of being licensed that provide such supportive services. Saratoga Place (capacity 25) and Saratoga Villa Retirement Home (capacity 6) are two new facilities that have just submitted applications for licenses. A Saratoga Home for the Elderly is licensed for six residents. Olives and Roses are licensed for five persons and Saratoga Retirement Community offers skilled and assisted living services with a capacity of 174 persons. Our Lady of Fatima Villa offers 85 skilled nursing beds. There are currently 74 beds occupied. These would be made up of studio, one and two bedroom units. There is also a two to three month waiting list for bed in this facility. One reason behind the vacancy and the waiting list is that there is a shortage of staff.

The median household size is currently 2.94 people per household as of January 1, 2000 (Department of Finance 2000). At the time of the 1990 Census, the median household size was 2.76 people, with the largest number of households having only two persons (3,843 out of 10,148). The next largest group was three person households (2,070 out of 10,148) and following closely behind was four person households (1,943 out of 10,148).

The City contains more housing units with four or more bedrooms (53 percent) than the number of large households with the need for multi-bedroom dwelling units. There is an adequate supply of dwelling units to meet the space needs of large families. None of these larger homes are affordable to low- or moderate-income large families, however.

Overcrowded Households

Another indicator of housing need is the percentage of households living in overcrowded conditions. Most housing analysts define overcrowding as more than one person per room, excluding bathrooms, hallways, and service areas.

Saratoga has a relatively low incidence of overcrowding in 1990—only 146 households (one percent) were overcrowded. Overcrowding occurred both in rental and owner-occupied housing at about the same rate. There were 24 overcrowded rental units (2 percent of all rental units) and 122 overcrowded owner-occupied units (1 percent of all owner-occupied units).

The low percentage of large families combined with the low incidence of overcrowding indicates that there is not a large proportion of the population living in overcrowded conditions.

Disabled Citizens

Approximately three percent of the City's non-institutionalized residents have physical conditions that affect their abilities to live independently in conventional residential settings. These individuals have mobility impairments, self-care limitations, or other conditions that may require special housing accommodations or financial assistance. Individuals with such disabilities can have a number of special needs that distinguish them from the population at large.

- Individuals with mobility difficulties (such as those confined to wheelchairs) may require special accommodations or modifications to their homes to allow for continued independent living. Such modifications are often called "handicapped access."
- Individuals with self-care limitations (which can include persons with mobility difficulties) may require residential environments that include in-home or on-site support services, ranging from congregate to convalescent care. Support services can include medical therapy, daily living assistance, congregate dining, and related services.
- Individuals with developmental disabilities and other physical and mental conditions that prevent them from functioning independently may require assisted care or group home environments.
- Individuals with disabilities may require financial assistance to meet their housing needs because a higher percentage are low-income than the population at large and their special housing needs are often more costly than conventional housing.

Some people with mobility and/or self-care limitations are able to live with their families to assist in meeting housing and daily living needs. A segment of the disabled population, particularly low-income and retired individuals, may not have the financial capacity to pay for needed accommodations or modifications to their homes. In addition, even those able to pay for special housing accommodations may find them unavailable in the City.

Disabled persons often require special housing features to accommodate physical limitations. Some disabled persons may have financial difficulty due to the cost of having their special needs met or due to difficulty in finding appropriate employment. Although the California Administrative Code Title 24 requires all public buildings be accessible to the public through architectural standards such as ramps, large doors, and restroom modifications to enable handicap access, not all available housing units have these features. According to 1990 Census data, there were approximately 721 non-institutionalized disabled persons over age 16 in Saratoga.

According to the 1990 Census, 388 or one percent of persons between the ages of 16 and 64 had mobility and/or self-care limitations.

Many persons with disabilities can benefit from a residential environment that provides supportive services in a group setting. San Andreas Regional Center, located in San Jose is a community-based California state-funded program designed to serve persons with a developmental disability, as required by the Lanterman Developmental Disabilities Services Act. The Center is a private, nonprofit corporation under contract for provision of services through the State Department of Developmental Services. San Andreas Regional Center serves the four-county area of Monterey, San Benito, Santa Clara and Santa Cruz.

Families with Female Heads of Households

Most female-headed households are either single elderly women or single mothers. Traditionally, these two groups have been considered special needs groups because their incomes tend to be lower, making it difficult to obtain affordable housing, or because they have specific physical needs related to housing (such as child care or assisted living support). Single mothers, in particular, tend to have the difficulty in obtaining suitable, affordable housing. Such households also have a greater need for housing with convenient access to child-care facilities, public transportation, and other public facilities and services.

Of the 10,050 households in the City, 469 are female-headed households or slightly less than five percent of the total households in Saratoga. According to the 1990 Census, eight of the City's female-headed households are classified as living below the poverty level. These eight households account for five percent of the total 159 households below poverty in the city and less than two percent of the total female householders. It may be assumed that most of these households are overpaying for housing (i.e. more than 30 percent of their income), or are experiencing other unmet housing needs. As a result of poverty, female heads of households often spend more on immediate needs such as food, clothing, transportation, and medical care, than on home maintenance, which results in living units falling into disrepair.

Farm Workers

According to the 1990 Census, 104 persons (one percent) were employed in farming, forestry, and fishing occupations of a total labor force of 14,437. The California Employment Development Department includes farm workers, nursery workers; delivery truck drivers for produce and flower, horticulturists, landscapers, tree trimmers, and lawn gardeners in this category. Given Saratoga's location in an urban region, it is likely that few, if any, of these "farmworkers" are employed in crop production or harvesting.

Homeless

Homelessness is caused by a number of social and economic factors, including a breakdown of traditional social relationships, unemployment, shortage of low-income housing, and the deinstitutionalization of the mentally ill. A homeless person lacks consistent and adequate shelter. Homeless persons can be considered resident (those remaining in an area year-round), or transient. Emergency and transitional shelters can help to address the needs of the homeless.

Emergency shelters provide a short-term solution to homelessness and involve limited supplemental services. In contrast, transitional shelters are designed to remove the basis for homelessness. Shelter is provided for an extended period of time, and is combined with other social services and counseling, to assist in the transition to self-sufficiency.

The nature of the homeless population makes exact counting difficult. The 1990 Census found no "visible" persons living on the streets and no people in homeless shelters. However, Census counts are not generally accepted as an accurate reflection of homelessness. Because the homeless move around and are not always visible on the street, it is difficult to get an accurate count of homeless persons in a community. Discussions with social service organizations and others dealing with emergency housing and the homeless on a daily basis reveal that there are homeless in the area. The Police Department does not track the number of homeless in Saratoga, however, nor do other social service organizations.

Agencies Offering Homeless Assistance

The City offers one homeless shelter program at the Church of Ascension and Congregation. The Church participates in a rotating shelter program that provides housing for 12 to 15 men for 1 month a year. There are also organizations in surrounding cities that serve the needs Saratoga residents. Although these services are not intended specifically for homeless individuals and families, homeless persons often avail themselves of food and clothing closets that help the poor.

There are a number public service organization and agencies in the County of Santa Clara that offer shelter, counseling, or other services for the homeless, abused, or elderly.

Emergency Housing Consortium of Santa Clara County

Their most successful program is the Transitional Housing Program (THP). This program enables a person to obtain a job and work and eventually achieve independence in a conventional housing environment. Under THP, a person with a job is entitled to a cubical with a bed for \$200 per month for up to 3 months. Another program, The Working Man's Program, grants individuals who are employed a bed for up to 30 days while they seek permanent housing.

Other Consortium programs include the New Start Program, which helps homeless individuals obtain employment, and the Waste Management Program, which gives people a job with the Waste Management Department for the City of San Jose. Under these programs, participating individuals are guaranteed beds at a cost of one-third of their paychecks, with the potential to move into transitional housing. Currently the single person capacity is 125 for the spring and summer season. During the winter, the capacity can increase to 250 to 300 beds, including floor mats. There are also rooms available for families that have sufficient income to qualify.

Lastly the Consortium offers a Volunteer program through its facility, which in return guarantees a room for 30 days. The Emergency Housing Consortium has shelters and programs located in Sunnyvale, Santa Clara, San Jose, San Martin and Gilroy.

San Jose Family Shelter

This facility provides overnight rooms and meals for families with children for stays of up to three months. The Program can accommodate 35 families (143 people). There are currently have 33 families occupying 35 rooms. Two of the families are especially large and require two rooms each. A case manager helps each family with its individual circumstances.

County Housing Programs

The Santa Clara County Community Development Commission/Housing Authority administers the Section 8 Housing Assistance Payments Program (HAPP). This program links landlords with tenants eligible for rental assistance. HAPP guarantees landlords fair market rent while providing subsidies for tenants in rental properties. HAPP tenants are those elderly, handicapped, or low-income families needing help to secure decent housing. Saratoga is participating in this program that encourages landlords to accept Section 8 vouchers and certificates, and will be on the list of cities in the rent subsidy program. There are three families who use the Section 8 program, two of which have disabled heads of households. Due to limited budgets, there are currently 47 people on the Section 8 waiting list, of whom 20 are disabled (Housing Authority of Santa Clara County April 13, 2000).

Fair market rents for the Santa Clara County area in fiscal year 2000 are provided in Table 24 below. For the 40th percentile fair market rents for manufactured home spaces in the Section 8 Choice Housing Program, space rents in Santa Clara County are listed at \$808 for fiscal year 2000 (Federal Register, February 2000).

Table 24

Fair Market Rents for Existing Housing in Santa Clara County

Studio	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom
\$808	\$922	\$1,139	\$1,561	\$1,753

Source: Federal Register, HUD, and February 2001

The County has four Federal Grant Programs to assist eligible persons seeking permanent, transitional, or emergency housing-related services.

Community Development Block Grants (CDBG)

Provides funding to nonprofit agencies to enable them to offer housing and housing-related services to eligible lower-income persons including seniors, persons with disabilities, and the homeless and battered spouses. Provides funding for acquisitions, construction, or rehabilitation of affordable housing to lower-income persons. Each of the Urban County cities develops their own CDBG program. Each city has a housing rehabilitation program offering low-interest loans or grants for home repair to qualified Urban County residents. Individual initiative and the use of Community Development Block Grants (CDBG) have helped. In previous years the CDBG program has been used to assist with home improvement for applicants that meet the income guidelines.

Home Program (Home Investment Partnership Act)

Provides loans and grants to nonprofit organizations to assist with financing to develop permanently affordable housing through acquisition, construction, or rehabilitation.

Emergency Shelter Grant Program (ESG)

Provides grants to nonprofit organizations operating existing homeless shelters for rehabilitation of the facility, maintenance and operations, essential supportive services and prevention of homelessness.

Shelter Plus Care (S+C)

Provides a 5-year rent subsidy to homeless/disabled individuals and their families to assist them in securing permanent affordable rental housing. Applicants must be currently homeless and must be diagnosed with one of the following disabilities: mental illness, HIV/AIDS, and a drug and /or alcohol dependency. In addition to rent subsidy, the program also arranges for various treatment services and case management. S+C clients are required to pay 30% of their monthly income toward rent and S+C pays the balance.

City Housing Programs

Table 25 is a list of projects and programs that were recommended by the Saratoga City Council for allocation of funds for the 2000/01 funding cycle. The City Council of Saratoga approved the budget on April 4, 2001.

Table 25**City of Saratoga Human Services and CDBG Proposals**

Agency	Type	Project	Amount Requested	Amount Recommended
SASCC	Human Services	Senior Day Car Program	\$36,667.00	\$36,667.00
Project Match	CDBG	Rent Subsidy Blauer Ave. Senior Home. ¹	\$19,500.00	\$19,500.00
Bridge Housing	CDBG	Cupertino Community Services Apartments ²	\$37,707.00	\$37,707.00
City of Saratoga	CDBG	ADA Project for Hakone Gardens	\$50,000.00	\$50,000.00
City of Saratoga	CDBG	County Rehabilitation Services ³	\$20,000.00	\$20,000.00
City of Saratoga	Administration	Project Administration	\$15,000.00	\$15,000.00
Total			\$178,874.00	\$178,874.00

Source: City of Saratoga 2001.

¹ Will provide shared residential housing to approximately six low-income seniors at a time.² Will provide 24 affordable apartment units for individuals and families who currently live in Saratoga, Cupertino and other Santa Clara County cities whose household incomes are at or below 60 percent and 50 percent of the median, as defined by HUD.³ Each participating City utilizing the services of the County's Housing Rehabilitation Specialist is required to pay \$15,000 for its annual CDBG grant to cover these costs. These services include site inspection, estimates, work write-ups, the job bidding and award processes, and project supervision and compliance oversight.

The purpose of the City's Saratoga Housing Assistance and Rehabilitation Program (SHARP) is to further the goal of providing a decent home and a suitable living environment to all citizens in Saratoga. The SHARP provides Zero Interest Partially Deferred Payment and Below Market Rate Interest Loans to eligible homeowners citywide, with special emphasis in designated Community Development areas targeted for housing rehabilitation and related capital improvement projects. It brings existing dwelling units to local housing standards for decent, safe and sanitary living conditions. There are currently 22 outstanding SHARP loans with an ending balance of \$439,243.

ASSISTED HOUSING PROJECTS AND PROGRAMS

Assisted housing projects and programs in the City can alleviate the financial hardships low-income households may face. Assisted housing projects are those that offer financial aid or provide extra services for people in need of financial or basic living assistance. There are a variety of programs, each focusing on a specific need or with a specific goal to eliminate unmet housing needs in the community. Three multi-family complexes in the City participate in HUD's

Section 8 program (in which Federal funds are used to close the gap between the fair market rent and what lower income households can afford to pay) with 177 units in the program. The Fellowship Plaza has 150 Section 8 units, it is owned and operated by the nonprofit agency Odd Fellow who is dedicated to being a non-profit organization; therefore the 150 units at the Fellowship Plaza are in low risk of being converted. Saratoga Court (both the project and owner name) has 20 Section 8 units and their Section 8 contract was renewed in September of 2000 with plans to continue renewing on a yearly basis. Laura Ville Apartment has seven units in Section 8 contracts for seniors only.

Based on the costs of land, permits, development, and construction (see Non-Governmental Constraints Section), the minimum estimated cost per unit to replace 177 affordable rental units in Saratoga would be \$250,000 per dwelling unit, or \$44.25 million. There are no comparable multifamily properties in the City, but based on an Internet search (LoopNet®) of seven multifamily properties for sale in surrounding communities, the cost of acquiring 177 rental units is estimated to be \$200,000 per dwelling unit, or \$35.4 million.

The City also has two other affordable housing programs. Tri-Aegis offers a residential care home for developmentally disabled adults. There are six rooms funded by Title 22/Private/Grants. Project Match offers affordable housing for seniors using CDBG guidelines. There are currently 5 rooms shared in residential homes. No developers in the City have taken advantage of density bonus programs.

Units Eligible for Conversion

In 1989, the California Government Code was amended to include a requirement that localities identify and develop a program in their housing elements for the preservation of assisted, affordable multi-family units. Subsequent amendments have clarified the scope of the analysis to also include units developed pursuant to inclusionary housing and density bonus programs. In the preservation analysis, localities are required to provide an inventory of assisted, affordable units that are eligible to convert within ten years. As part of the analysis, an estimation of the cost of preserving versus replacing the units is to be included, as well as programs designed to preserve the affordable units.

The California Housing Partnership Corporation provides an inventory of federally subsidized rental units at risk of conversion. The 1999 update, which identifies units at risk through the year 2020, identifies two HUD-assisted multi-family housing developments with Section 8 contracts in the Saratoga. The Section 8 contract expired for these two developments in 1999 and one was identified as high risk for conversion according to the 1999 update.

RESOURCES AND POTENTIAL GROWTH AREAS

Development Patterns and Philosophy

In 1956, the City of Saratoga incorporated as a minimum service community comprised primarily of low intensity residential uses with a minimum of commercial-industrial development. This growth philosophy has continued to be important in guiding the City's future, and there is a desire to maintain and preserve the community created by this philosophy. However, as land becomes scarce, the pressure to increase housing density rises. The majority of development opportunities are on infill sites and hillside areas, the latter of which can be quite expensive to develop.



VACANT LAND

There are approximately 956.41 acres of vacant undeveloped land available, primarily located on hillsides. The remaining infill sites could be redeveloped with single-family or high-density residential uses. These lands are broken down in the following tables by current land use and zoning.

RESIDENTIAL ZONING DISTRICTS

There are six land use designations in the General Plan. The first four designations allow single-family dwellings. The fifth designation allows single-family and multi-family dwellings. The sixth allows single-family and multi-family dwellings if the site is designated P-D residential and allows flexibility in terms of density and development. The six land-use designations and the implementing zoning districts are described below:

Hillside Conservation Single-Family

Hillside Conservation Single-Family corresponds to the R-1, HR, P-C, R-M, R-OS and MU-PD zones. The maximum density in this designation is 0.5 dwelling units (DU) per net acre, or 1.55 people per acre. The maximum intensity of building and impervious surface coverage is 15,000 square feet or 25% of the site area, whichever is less.

Very Low Density Single Family

Very Low Density Single Family corresponds to R-1, HR, P-C, R-M, R-OS and MU-PD zoning. The maximum density allowed in these areas is 1.09 DU/net acre or 3.38 people per acre. The maximum intensity of building and impervious surface coverage is 35% of the site area.

Low Density Single Family

Low Density Single Family corresponds to the R-1, HR, P-C, R-M, R-OS and MU-PD zones. Development densities of 2.18 DU/net acre are permitted these areas. The maximum intensity of building and impervious surface coverage is 45% of the site area.

Medium Density Single Family

In the M-1 zone, the Medium Density Single Family designation densities range from 2.90 DU/net acre to 4.35 DU/net acre or from 9.0 people/acre to 13.5 people/acre. The maximum intensity of building and impervious surface coverage within the M-1 zone ranges from 50 percent – 60 percent of the site area.

Multi-Family Residential

Multi-Family designation falls into the P-C, R-M and MU-PD zones. The density of this designation is 14.5 DU/net acre or 27-45 people/acre. The intensity of building coverage is 40% of the site area.

P-D (Planned Development) Residential

This designation corresponds to the P-C and MU-PD zones. Densities within these sites are 4.35 to 12.45 DU/acre or 13.5 to 38.6 people/acre. The maximum intensity of building coverage is 25 percent to 35 percent of the site area. All projects proposed on sites with this designation require use permit approval.